

August 9, 2022



UM 2225 Investigation into Clean Energy Plans Work Plan Update and Straw Proposals

This announcement includes an update on UM 2225 activities and provides two straw proposals for written comment: Staff's Roadmap Acknowledgement Straw Proposal (**Chapter 1**) and Staff's Community Lens Straw Proposal (**Chapter 2**).

Stakeholders are invited to provide written comments on the Straw Proposals by Wednesday, **September 1, 2022**.

Responses will be posted to the UM 2225 docket. Please submit responses to the [OPUC Filing Center](https://www.opuc.org/filing-center) at puc.filingcenter@puc.oregon.gov.

Work Plan Update

On April 4, 2022, Staff released its [Investigation Work Plan](#) for the UM 2225 Clean Energy Plan (CEP) Investigation. The Work Plan includes multiple workstreams: Planning Framework, Engagement and Other Procedural Issues, Roadmap Acknowledgement, Community Lens Issues, and Analytical Improvements. On June 16, 2022, Staff also published [a schedule of dates for workshops](#) through October 2022 in support of the Work Plan.

To date, Staff and stakeholders have completed the Planning Landscape and Near-term Engagement work streams. Based on the valuable insights provided in comment and workshops, Staff has developed a straw proposal for the two highest priority areas for near-term guidance: Roadmap Acknowledgement and Community Lens. Staff has also identified a schedule that closes out the Analytical Improvements and Procedural Issues work stream as in a manner that addresses the most important near-term areas for guidance as quickly as practicable.

The table below outlines the remaining work and associated dates.

Work Plan Action	Date
Group 1	
<i>Roadmap Acknowledgement and Community Lens Guidance</i>	
Staff Straw Proposal	August 9, 2022
Written comments on Staff's Straw Proposal due	September 1, 2022
Staff Public Meeting Memo	Target September 22, 2022
Public Meeting for Commission decision and guidance	October 4, 2022
Group 2	
<i>Analytical Improvements</i>	
Workshop – Treatment of Fossil Fuel Resources	August 10, 2022 (9a -12p)
Workshop – To Be Announced (potentially, data transparency and attribution policies)	August 24, 2022 (1p – 4p)
Workshop – Presentation and discussion of Staff's Straw Proposal	September 7, 2022 (1p – 4p)
Written Comments on Staff's Straw Proposal	September 27, 2022
Staff Public Meeting Memo	Target October 21, 2022
Public Meeting for Commission decision and guidance	November 1, 2022
<i>Procedural Issues</i>	
Staff draft administrative rules for CEP filing and review process	September 13, 2022
Written comments on Staff draft rules	October 3, 2022
Staff Public Meeting Memo	Target October 21, 2022

Public Meeting for Commission to open formal rulemaking	November 1, 2022
Group 3	
<i>Resiliency Industry Standards and Best Practices Report</i>	
Release draft report from GMLC	September 6, 2022
Workshop to understand and respond to draft report	September 29, 2022
Comments on draft report	October 7, 2022
Staff Public Meeting Memo	Target November 7, 2022
Public Meeting for Commission adoption of report	November 17 or 29, 2022

**note that September 19, 2022 and October 11, 2022 work shops are still being held for discussions that may be needed.

If you have questions about this announcement, the work plan, or the straw proposals, please contact: Caroline Moore at [caroline.f.moore @puc.oregon.gov](mailto:caroline.f.moore@puc.oregon.gov) or 503-480-9427.

To receive meeting notices and agendas for this docket, send an email to puc.hearings@puc.oregon.gov, and ask to be added to the service list for Docket No. UM 2225. You will then receive emails with workshop details, when new documents have been added to the docket, or there is a change to the schedule.

Chapter 1 – Roadmap Acknowledgement Straw Proposal

Straw Proposal Background

On April 4, 2022, Staff released its [Investigation Work Plan](#) for the UM 2225 Clean Energy Plan (CEP) Investigation. The Work Plan includes multiple workstreams, one of which is the Roadmap Acknowledgement workstream. The Roadmap Acknowledgement workstream seeks to answer key near-term policy questions about expectations for Commission acknowledgement of the roadmap of decarbonization actions presented in the Clean Energy Plan. The intended outcome of the Roadmap Acknowledgement workstream is to establish Commission guidance that sets upfront expectations for how the Commission will consider the roadmap of actions utilities propose in their Clean Energy Plans for compliance with the decarbonization targets and other key requirements of HB 2021.

To carry out the Roadmap Acknowledgement workstream, Staff proposed to circulate a questionnaire to gather initial stakeholder ideas and perspectives regarding roadmap acknowledgement and hold a workshop to present and discuss the questionnaire responses. Informed by the stakeholder input from the questionnaire and workshop, Staff would then publish a straw proposal, with an opportunity for written comment. Staff would revise the proposal as needed and then bring it to a public meeting for Commission decision and guidance. Staff had originally planned to bring the proposal to a public meeting in August, but is now aiming to bring it to a public meeting in October to provide additional time for consideration.

Process Informing the Straw Proposal

Staff released [a questionnaire](#) on May 20, 2022 to understand initial perspectives regarding annual goals for actions in the Clean Energy Plan (CEP) as well as the standards for and implications of acknowledgement. The questionnaire posed four questions, with background and additional prompts to inform answers to the questions. The four questions were:

- *Question 1:* What should be the planning and acknowledgement horizon for the annual goals for action and clean energy targets in the Clean Energy Plan (CEP)?
- *Question 2:* What details should the annual goals for action include?
- *Question 3:* How should compliance and continual progress be demonstrated and assessed?
- *Question 4:* How do you envision Commission acknowledgement of the Clean Energy Plan/annual goals for actions?

Questionnaire responses were due June 10, 2022. Staff received ten stakeholder responses to the questionnaire. These included one comment from an individual, and comments from the following organizations: 3Degrees; Alliance of Western Energy Consumers (AWEC); Center for Resource Solutions (CRS); Oregon Citizens' Utility Board (CUB); Oregon Solar and Storage Industries Association (OSSIA); Portland General Electric (PGE); PacifiCorp (PAC); Renewable Northwest (RNW); and The NW Energy Coalition, Rogue Climate, Climate Solutions, the Green Energy Institute at Lewis & Clark Law School, Verde, the Sierra Club, the Coalition of Communities of Color, Multnomah County Office of Sustainability, Renewable Northwest, and the Metro Climate Action Team (Energy Advocates).

Staff and stakeholders discussed the questionnaire responses at a workshop on June 29, 2022. Staff tested areas of alignment and solicited additional input on remaining questions.

Straw Proposal Overview

Informed by the questionnaire responses and discussion at the workshop, Staff drafted the Straw Proposal in Attachment A. Staff identified and organized the Straw Proposal around eight topics:

- CEP planning and acknowledgement horizons
- Annual goals for actions
- Annual metrics measuring the impacts of actions
- Greenhouse gas reporting, verification, and compliance in planning
- Continual Progress and IRP cost/risk framework
- Considerations in CEP acknowledgement
- Non-acknowledgement, partial acknowledgement, and conditional acknowledgement of the CEP, and interdependences with IRP acknowledgement
- Annual update

Staff takes each of these topics in turn in the Straw Proposal, providing a summary of stakeholder comments regarding the issue and Staff's proposal on the issue.

Straw Proposal Details

Topic #1. CEP planning and acknowledgement horizons

Issue Background: The Commission's Integrated Resource Plan (IRP) Guidelines currently require IRPs to include at least a 20-year planning horizon.¹ In addition, the IRP Guidelines require that the utility include an action plan with resource activities the utility intends to undertake in the next 2-4 years to acquire the resources it identifies.² Commission acknowledgement primarily focuses on the items in the Action Plan.

HB 2021 requires that the Clean Energy Plan incorporate the clean energy targets set forth in Section 3 of the 2021 Act and include annual goals for actions that make progress towards meeting those targets.³ But, HB 2021 does not designate a specific planning and acknowledgement horizon for the CEP and the annual goals for action within the CEP. Staff therefore sought input on what the planning and acknowledgement horizon for the annual goals for action and clean energy targets should be in the Clean Energy Plan.

Stakeholder Input: Most questionnaire respondents weighing in on the issue (CUB, Energy Advocates, PAC, and RNW), recommended that the planning and acknowledgement horizons should align with the current IRP Guidelines (planning over at least 20 years, with acknowledgement of actions in the next 2-4 years). Respondents noted that the IRP planning horizons provide a good balance of near-term rigor with long-term context, and that the 20+ year analysis horizon would include the HB 2021 clean energy target dates. Some respondents also noted that including draft or tentative plans beyond the action plan window helps to provide a tangible sense of potential future actions and that these actions can be updated as more information becomes available and conditions evolve in future cycles.

PGE and OSSIA offered suggestions that differed from the majority above. PGE proposed that the CEP include a carbon emissions reduction forecast over only 10 years and annual goals only spanning the

¹ Order No. 07-002. Guideline 1.

² Order No. 07-002. Guideline 4.

³ HB 2021 §4(4)(a-b).

first 2-4 years, which would be the acknowledgement horizon.⁴ PGE explained that this would promote regional alignment as it would be similar to what its peer utilities in Washington State do under Washington's Clean Energy Transformation Act (CETA).⁵ OSSIA noted that a 2-4 year action plan window does not align with transmission planning timelines, and instead suggested a 1-10 year action plan acknowledgement horizon.⁶

Staff presented the majority alignment at the workshop. PGE noted at the workshop that it was largely proposing the 10 year planning horizon because there is much less certainty in the outer years, but noted it was not an area of major misalignment.⁷ NewSun also offered comments at the workshop about making sure long-lead-time transmission assets could be incorporated into the analysis – both for the planning horizon and the action acknowledgement horizon.⁸

Staff Analysis: Staff agrees that aligning the analysis and acknowledgment horizons between the CEP and IRP makes sense. A near-term (2-4 year) acknowledgement window focuses scrutiny on the actionable steps that can be undertaken or initiated between planning cycles. The longer (20+ year) analysis horizon ensures that near-term actions are aligned with long-term objectives and achieving the clean energy targets set forth in HB 2021. Staff agrees that actions outside of the acknowledgment window should still be included in the plan for context. Those actions may be interpreted as draft or tentative plans, to be re-evaluated alongside other options in future planning cycles.

Staff does not agree that a 10-year acknowledgement window is necessary to facilitate investment in new transmission. Adopting a 2-4 year acknowledgement window does not preclude a utility from requesting acknowledgment of new transmission infrastructure or near-term steps to pursue that transmission infrastructure. The Commission may use their discretion to weigh acknowledgement of such long-lead-time resources without requiring the Action Plan to include all resource actions over the next 10 years.

Staff Proposal (effectuate through guidance to the utilities):

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.

Topic #2. Annual goals for actions

Issue Background: HB 2021 §4(4)(b) states that the annual goals for actions must include, “acquisition of nonemitting generation resources, energy efficiency measures and acquisition and use of demand response resources.”

In addition, HB 2021 §4(5) states that:

⁴ PGE's Response to Roadmap Acknowledgement Questionnaire. Page 2.

⁵ Id.

⁶ OSSIA's Response to Roadmap Acknowledgement Questionnaire. Page 1.

⁷ See June 29, 2022, workshop recording at 24:54 – 26:45.

⁸ See June 29, 2022, workshop recording at 26:50 – 29:30.

Actions and investments proposed in a clean energy plan may include the development or acquisition of clean energy resources, acquisition of energy efficiency and demand response, including an acquisition required by ORS 757.054 [cost effective energy efficiency], development of new transmission and other supporting infrastructure, retirement of existing generating facilities, changes in system operation and any other necessary action.

Given the required and potential actions listed in the legislation, Staff sought input on the type of actions and the details the annual goals for actions should include.

Stakeholder Input: Questionnaire respondents weighing in on the issue (CUB, Energy Advocates, OSSIA, PAC, PGE, and RNW), recommended that the annual goals for actions should include those listed in HB 2021 §4(5) of the bill. Multiple respondents (Energy Advocates, OSSIA, and RNW) highlighted the importance of also including storage resources in annual goals. Multiple respondents (CUB, Energy Advocates, PAC, and PGE) also suggested that annual goals should include programmatic actions, including resiliency and community-based renewable actions. Energy Advocates also suggested building improvements and building decarbonization investments, including electrification be allowed.⁹ And, PGE suggested that annual goals should also include distribution infrastructure investments.¹⁰

Multiple respondents (Energy Advocates, OSSIA, and PGE) suggested that the annual goals specify which resource actions are enabled by voluntary programs. Multiple respondents (CUB, Energy Advocates, OSSIA, and PGE) also suggested that annual goals should include additional information regarding the impacts of the actions. We discuss this further in Topic #3 below.

Staff Analysis: Staff agrees that annual goals should be developed for all resource actions within the CEP, including those listed in HB 2021 §4(5), to provide a complete picture of the utilities' plans on an annual basis.

Staff agrees that energy storage resource additions may be crucial to the utilities' plans and that annual goals should be established for these resources as well. We anticipate that utility plans may include a range of storage options, including utility scale storage, customer-sited storage, and storage paired with community-based renewables.

With regard to both clean energy resources and energy storage, Staff agrees that the utilities should differentiate between system resources and resources that the utility expects to acquire through voluntary customer and community actions (e.g., community solar, green tariff, net metering, community-sponsored resiliency projects). For voluntary actions in the Action Plan window, the utility should clearly describe how the company plans to acquire the resource(s), and how the expected resources will impact the procurement efforts, costs, and risks of the utility's system-wide portfolio of actions.

Additional guidance for considering and describing actions driven by resiliency and other community lens analysis is proposed in Chapter 2 of the straw proposal.

⁹ Energy Advocates' Response to Roadmap Acknowledgement Questionnaire. Pages 3-4.

¹⁰ PGE's Response to Roadmap Acknowledgement Questionnaire. Page 3.

With regard to distribution system investments, Staff notes that some specific distribution system investments could be considered “other supporting infrastructure” that enables the utilities’ other actions to comply with HB 2021, but Staff does not see the CEP as a forum for considering the acknowledgement of the utilities’ Distribution System Planning actions more broadly. In cases where the utility identifies that a distribution investment is needed for a specific action in the CEP, Staff recommends that the utility include a description of the distribution investment in the CEP and account for the associated distribution system investment costs in evaluating the action in the IRP and CEP.

With regard to the building improvements described by the Energy Advocates, Staff considers many of these options to fall within the category of energy efficiency. Staff also notes that the health and safety benefits of specific types of energy efficiency measures could be further explored as part of the evaluation of community impacts and benefits, which is discussed further in Chapter 2 of this straw proposal. Staff seeks to understand the impacts of increased electrification on achieving a reliable, clean portfolio through portfolio modeling scenarios, but does not believe that there is sufficient understanding to direct utilities to consider building electrification programs as a resource in the CEP. Staff believes that a high electrification scenario and an exploration of energy efficiency as a resource option will provide meaningful insights into the costs, risks, impacts, and benefits cited by the Energy Advocates.

Staff Proposal (effectuate through guidance to the utilities):

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.

Topic #3. Annual metrics measuring the impacts of actions

Issue Background: Questionnaire responses raised the issue of whether a CEP that includes the annual goals for actions should include not only the actions, but also the impacts of those actions. This was a topic of focused discussion at the workshop.

Stakeholder Input: Multiple questionnaire respondents suggested that the CEP with annual goals for actions should include additional information regarding the impacts of the actions, including: greenhouse gas emissions and greenhouse gas emissions intensity, burdens to environmental justice communities, safety, security, reliability, resiliency, equity, affordability, technical feasibility, and economic costs and benefits. Some stakeholders at the workshop suggested that impacts should be

identified by individual actions and others noted that attribution may be challenging for actions that enable others but do not necessarily bring an individual class of benefits on their own.

Relatedly, OSSIA recommended that annual emissions targets in a CEP should be binding.¹¹

Staff Analysis: Staff agrees that identifying the key impacts of the actions for annual goals will be important for evaluating the CEP. In particular, Staff notes that presenting annual greenhouse gas emissions will be necessary to evaluate the pace of progress toward meeting the clean energy targets and to assess continual progress. Staff also believes that providing annual cost information in a manner that is meaningful to customers, for example the estimated annual average rate experienced by Oregon customers (total revenue requirement for Oregon customers divided by total retail sales in Oregon), will help the Commission contextualize the pace of progress.

Staff also agrees that providing annual information about community impacts and benefits may help the Commission determine whether the utility's plan is in the public interest. HB 2021 §5(2) specifically identifies that environmental and health benefits of greenhouse gas reductions are relevant to the determination of whether the plan is in the public interest. Staff agrees that including annual metrics regarding impacts and benefits to communities will help the Commission understand the implications of the utility's CEP and its alignment with the objectives of HB 2021. Staff further notes that accurate evaluation of community impacts and benefits cannot be undertaken without direct involvement of the communities that are impacted by the plan. For future cycles, the Utility Community Benefits and Impacts Advisory Groups (UCBIAGs) may play a key role in developing these metrics. However, because the UCBIAGs have not yet been established, Staff's interim suggestions regarding community involvement in developing the community and impacts metrics does not directly reference the UCBIAGs.

With regard to attribution of impacts to individual actions within a portfolio, Staff appreciates the complexity noted by stakeholders regarding actions that may be enabling or may interact with one another. Staff notes that attribution of impacts is particularly challenging when the benefits of one action depend on another action. Attribution to individual actions may also rely on subjective accounting decisions specific to each impact or metric, which can be challenging to vet and may not be fully consistent with portfolio analysis. Staff believes that total portfolio impacts remain the most important information for vetting the plan and that testing key alternatives in portfolio analysis can be used to examine the relative impacts of major actions if this information is important to Staff or stakeholders. If Staff or stakeholders are interested in understanding the incremental impacts of a particular action, then they may ask the utility to test portfolios with and without that action. This approach reveals differences across all reported metrics in a consistent manner and does not rely on subjective accounting methodologies to attribute benefits and impacts. Staff also notes that it plans to propose a target set of scenario analyses as part of the Analytical Improvements work stream.

Staff believes that it will be important to monitor utility progress relative to plans and expectations over time to ensure that continual progress is being made. Reporting annual impacts on an expected basis in the CEP would provide the Commission with benchmarking information against which to evaluate utility progress over time, provided that the actual annual impacts can be measured and reported using the same metrics that are in the CEP. Staff discusses the potential role of an update filing to support

¹¹ OSSIA's Response to Roadmap Acknowledgement Questionnaire. Pages 1-2.

ongoing evaluation of utility progress in Topic #8. Staff also discusses the maturation of community benefits indicators from a planning metric to a performance benchmark in Chapter 2 of this straw proposal.

Staff Proposal (effectuate through guidance to the utilities):

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.** See Chapter 2 for more detailed guidance.

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

Issue Background: According to HB 2021 §5, the Department of Environmental Quality must verify the projected greenhouse gas emissions reductions forecasted in a clean energy plan and report the Department's findings to the Public Utility Commission and the electric company seeking acknowledgement of a Clean Energy Plan by the Commission.

Multiple stakeholders raised concerns regarding accounting and verification of greenhouse gas emissions in their questionnaire responses.

Stakeholder Input: 3Degrees and CRS suggested that there is conflicting language in statute regarding the appropriate treatment of renewable energy credits (RECs) in greenhouse gas accounting for HB 2021 compliance. They suggested that not requiring the utility to retain and retire a REC for renewable generation will lead to double-counting. RNW and Energy Advocates suggested that the Commission has broader authority to regulate greenhouse gas emissions using alternative emissions accounting methodologies to those used by the Oregon Department of Environmental Quality (DEQ).

RNW and Energy Advocates also suggested that DEQ verification that the plan will achieve the clean energy targets in HB 2021 should be a minimum threshold requirement for acknowledgement. The Energy Advocates further suggested that DEQ be involved in the pre-filing stage to ensure timely verification. PGE raised concerns regarding the timing of the DEQ verification process, suggested that it occur in parallel to Commission review of the CEP rather than as an input to acknowledgement, and suggested that verification be limited to the action plan window.¹²

Staff Analysis: Staff agrees that DEQ verification that the plan achieves the clean energy targets set forth in HB 2021 is an important consideration for acknowledgement. Staff incorporates this into the straw recommendation in Topic #6. Staff also acknowledges the concerns raised regarding the timing of the DEQ verification process and the Commission's review of the CEP. Staff is engaged in discussion with DEQ about the logistics and data requirements to support this review and will keep

¹² PGE's Response to Roadmap Acknowledgement Questionnaire. Pages 3-4.

stakeholders and utilities informed of the need to adopt any near-term Commission guidance to enable this coordination for the first CEP.

For the purposes of evaluating compliance, Staff does not recommend that the Commission pursue alternative greenhouse gas emissions accounting methodologies. Staff does, however, see an opportunity in the IRP and CEP 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. Staff's straw recommendation in Topic #3 includes greenhouse gas emissions information with enough granularity to better understand the sources of remaining emissions and the implications of market purchases and sales. Staff does not have a straw recommendation at this time regarding transparency into the emissions implications across the broader West, but raised this question at the July 27 Decarbonization Planning Workshop and will continue to engage stakeholders on this and other topics related to greenhouse gas emissions and transparency in this docket.

Topic #5. Continual progress and IRP cost/risk framework

Issue Background: HB 2021 §4(4)(e) states that a clean energy plan must:

Demonstrate the electric company is making continual progress within the planning period towards meeting the clean energy targets set forth in section 3 of this 2021 Act, including demonstrating a projected reduction of annual greenhouse gas emissions.

HB 2021 §4(6) states that:

The commission shall ensure that an electric company demonstrates continual progress...and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.

Staff sought input on how continual progress should be demonstrated and assessed.

Stakeholder Input: Multiple questionnaire respondents (AWEC, CUB, Energy Advocates, PAC, PGE, and RNW) recommended that the Commission should not be prescriptive regarding "continual progress" at this stage and that "continual progress" can be evaluated by the Commission through the lens of balancing cost and risk in the IRP/CEP process. With that said, AWEC suggested that plans/trajectories should also be constrained by the cost cap in HB 2021.¹³ Energy Advocates also suggested that community benefits and equity considerations need to be integrated into the least cost/least risk framework – they refer to "near-optimal" solutions that advance community benefits and equity that may not be picked up by traditional cost/risk analysis.¹⁴ RNW urged the Commission to "establish particularly strong standards for continual progress" when the time comes.¹⁵

In a more immediate effort to inform continual progress, OSSIA suggested that the utility should be actively reducing emissions per binding annual targets to ensure continual progress.¹⁶

¹³ AWEC's Response to Roadmap Acknowledgement Questionnaire. Page 4.

¹⁴ Energy Advocates' Response to Roadmap Acknowledgement Questionnaire. Page 8.

¹⁵ RNW's Response to Roadmap Acknowledgement Questionnaire. Page 5.

¹⁶ OSSIA's Response to Roadmap Acknowledgement Questionnaire. Pages 1-3.

At the workshop, Staff flagged the evaluation of continual progress as an area of general alignment across questionnaire responses. Across both the questionnaire responses and the input provided at the workshop, Staff did not hear a preference for a prescriptive approach to defining continual progress or a specific trajectory that the utilities should be expected to plan for to achieve continual progress.

At the workshop, Staff also asked stakeholders to describe what a “strong” standard for continual progress might mean. Many participants suggested that the strength of the standard did not refer to a particular trajectory for progress, but instead referred to the stringency with which utilities would be held to a planned trajectory.

Staff Analysis: Staff agrees that the IRP framework is generally well suited for the evaluation of continual progress and that what constitutes continual progress in a manner that is in the public interest may change from planning cycle to planning cycle depending on changing circumstances, including resource cost and availability, market conditions, economic conditions, and other factors. However, Staff also agrees that the focus of the IRP portfolio analysis on cost and risk may limit consideration of other factors that are important to HB 2021 implementation, including the pace of greenhouse gas emissions reductions and community impacts and benefits. If, for example, a portfolio achieves much steeper greenhouse gas emissions reductions or much larger community benefits relative to an alternative portfolio, for a very small increase in the traditional cost and/or risk metrics in the IRP, then that portfolio may have stronger alignment with the objectives of HB 2021 than the alternative portfolio. Staff believes that these tradeoffs should be made more explicit in the IRP by adopting interim guidance that supplements the language in IRP Guideline 1.c for electric utilities.

Further, while Staff does not believe that a specific trajectory of emissions reductions should be prescribed at this time, HB 2021 does make clear that the CEP should “[demonstrate] a projected reduction of annual greenhouse gas emissions[.]”¹⁷ To align with this aspect of HB 2021, Staff recommends that the utility be required to demonstrate year-over-year greenhouse gas emissions reductions on an expected basis for every year in the CEP.

HB 2021 also specifies that the utility should “[take] actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.”¹⁸ Staff anticipates that the pace of incremental greenhouse gas emissions reductions will be a central question for each IRP and CEP. To provide additional information to contextualize the utility’s planned pace of emissions reductions, Staff recommends that the utility be required to test a portfolio with approximately constant greenhouse gas emissions reductions in each year from the first year in the plan to the next year with a clean energy target (e.g. in a 2023 IRP, greenhouse gas emissions would follow a straight line trajectory from 2023 to 2030 on an expected basis). In addition, the utility should test at least one portfolio that would achieve more rapid greenhouse gas emissions reductions than the straight line trajectory within the Action Plan window. Staff plans to propose these portfolio analysis ideas in the analytical improvements workstream.

Given uncertainties in several factors affecting greenhouse gas emissions in a given year, Staff does not agree that utilities should be strictly bound by the annual trajectories provided in the CEP. However, Staff does share concerns regarding utility accountability as plans are implemented. Staff believes that

¹⁷ HB 2021 §4(4)(e)

¹⁸ HB 2021 §4(6)

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 implementation does not meet expectations. Staff discusses one option for the ongoing evaluation of utility progress in Topic #8.

Staff Proposal (*effectuate through Commission waiver and interim guidance*):

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.**

Topic #6. Considerations in CEP acknowledgement

Issue Background: HB 2021 §5(2) requires that:

The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act. In evaluating whether a plan is in the public interest, the commission shall consider:

- (a) Any reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits;
- (b) The economic and technical feasibility of the plan;
- (c) The effect of the plan on the reliability and resiliency of the electric system;
- (d) Availability of federal incentives;
- (e) Costs and risks to the customers; and
- (f) Any other relevant factors as determined by the commission

Staff sought feedback on these acknowledgement considerations and whether other factors should be considered.

Stakeholder Input: Many questionnaire respondents (CUB, Energy Advocates, PAC, PGE, and RNW) recommended that CEP acknowledgment should have similar standards (i.e., meets applicable rules and guidelines and is reasonable based on information known at the time) and carry the same meaning (i.e., not pre-approval) as IRP acknowledgement.¹⁹ OSSIA suggests that CEP acknowledgement “must go beyond appearing reasonable at the time.”²⁰

In addition to the considerations listed in HB 2021 §5(2), stakeholders identified several items that could also be considered as part of CEP acknowledgement, including: direct benefits to communities, burdens for environmental justice communities, how the utility engaged with communities and tribal nations, non-energy benefits, feasibility regarding transmission-related constraints, and the pace of progress toward the clean energy targets.

Energy Advocates made two recommendations to help the Commission evaluate the effectiveness of the utility’s efforts to engage communities.²¹ They suggested an anonymous survey or transparent accounting of how the utility responded to all stakeholder comments.²² This topic was also the subject of a breakout discussion at the workshop and similar suggestions were offered.

Staff Analysis: To ensure that the CEP is consistent with the clean energy targets in HB 2021 and the IRP, Staff suggests that acknowledgement of both the IRP and the CEP consider whether the IRP Preferred Portfolio achieves the clean energy targets in HB 2021 (with DEQ verification) and whether the CEP is fully aligned with the IRP in terms of assumptions, analysis, and actions. Consistency with the IRP will ensure that many of the considerations that are listed in HB 2021 §5(2) will be addressed without separate evaluation in the CEP. From Staff’s perspective, these overlapping considerations include: economic and technical feasibility, reliability, the availability of federal incentives, and costs and risks to customers. Staff notes that economic feasibility and costs and risks to customers are addressed by IRP Guideline 1(c) and reliability is addressed by IRP Guidelines 4(c) and 11. Technical feasibility is not directly addressed within the IRP Guidelines, but such consideration is consistent with current practice in the IRP and was discussed in Order No. 07-002 (page 4):

We do not want utilities to limit their consideration to currently available resources, but rather to include all those that are expected to become available. We prefer the IRP be inclusive of all such resources and allow the parties to debate in the planning process whether it is reasonable to rely on a new technology.

Consideration of the availability of federal incentives is also consistent with current IRP practices and helps to ensure that IRPs are consistent with federal energy policies (IRP Guideline 1(d)).

¹⁹ The significance of IRP acknowledgement was described in Order No. 89-507 and reaffirmed in Order No. 07-002 at page 24: “When a plan is acknowledged by the Commission, it will become a working document for use by the utility, the Commission, and any other interested party in a rate case or other proceeding before the Commission[.] Consistency with the plan may be evidence in support of favorable rate-making treatment of the action, although it is not a guarantee of favorable treatment. Similarly, inconsistency with the plan will not necessarily lead to unfavorable rate-making treatment, although the utility will need to explain and justify why it took an action inconsistent with the plan.”

²⁰ OSSIA’s Response to Roadmap Acknowledgement Questionnaire. Page 4.

²¹ Energy Advocates’ Response to Roadmap Acknowledgement Questionnaire. Page 10.

²² Id.

And finally, Staff's recommendation for interim IRP guidance described in Topic #5 would ensure that the IRP also addresses the pace of reductions in greenhouse gas emissions, environmental and health benefits, and impacts and benefits to communities, including environmental justice communities. The Commission may provide further guidance regarding CEP acknowledgement criteria based on considerations not already addressed within the IRP Guidelines, proposed IRP guidance, or current IRP practices.

From Staff's perspective, the items that would not already be addressed within the IRP if the straw recommendation in Topic #5 were to be adopted, include resiliency and "any other relevant factors as determined by the commission." Staff discusses the topic of resiliency further in Chapter 2 of this straw proposal. With respect to "other relevant factors," Staff agrees with the many stakeholders who identified impacts and benefits to communities as relevant to CEP acknowledgement to ensure consistency with HB 2021 §2(2) and §2(4). Staff sees the inclusion of community impacts and benefits metrics in Topic #3, Topic #5, and Topic #8 as critical to ensuring that the plans evaluate impacts and benefits to communities. However, Staff is concerned that simply reporting community impacts and benefits metrics may not be sufficient to advance the objectives of HB 2021 if those metrics do not adequately reflect community perspectives.

Staff appreciates the concrete suggestions provided by Energy Advocates for creating accountability around the utility engagement of communities in this effort. Staff believes that it is appropriate to require the utilities to thoroughly document the opportunities created for community input, the input received, and how that input influenced or did not influence the plan. Staff notes, however, that such information would be presented from the perspective of the utility and that successful engagement may look different from the perspective of the utility and the perspectives of those who are participating in the utility's process. To provide more direct information to the Commission, Staff sees a survey of participants as a valuable tool. Staff notes that while the UCBIAGs have not yet been established, survey design and additional accountability measures may be useful topics to address with the UCBIAGs for future cycles once they have been established.

Staff offers three straw proposals on these topics at this time: achievement of the clean energy targets, alignment with the IRP, and considerations regarding community engagement. Staff notes that these proposals are not exhaustive with respect to CEP acknowledgment considerations and are limited to these three specific topics. Additional considerations for CEP acknowledgement may be addressed at future workshops and in future straw proposals within this docket.

Staff Proposal (effectuate through guidance to the utilities):

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.

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

Issue Background: HB 2021 §5(2) requires that,

The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act.

Staff sought feedback on what happens if a CEP is not acknowledged.

Stakeholder Input: CUB recommended that concerted efforts should be made to ensure the utilities “get CEP’s right the first time” given HB 2021’s aggressive timeline.²³ But, in the event that a CEP is not acknowledged, CUB recommended the “utility should be required to revise the noncompliant portions and resubmit the CEP in an expedited manner.”²⁴ PGE suggested that utilities should re-file if the CEP is not acknowledged, but also recommended that the Commission allow the utility to continue with the IRP Action Plan if CEP non-acknowledgement is due to reasons “outside of the utility’s control.”²⁵ Energy Advocates recommended CEPs, like IRPs, should either be approved, rejected, or approved with conditions.²⁶ However, the Energy Advocates recommended that if the CEP is not acknowledged (or if there are significant conditions), the IRP should not be acknowledged.²⁷

At the workshop, some stakeholders also suggested that acknowledgement of the CEP take a similar form to acknowledgement of the IRP, specifically that the Commission consider partial acknowledgement or acknowledgement with conditions in cases where the Commission is not satisfied with the entirety of the plan.

²³ CUB’s Response to Roadmap Acknowledgement Questionnaire. Page 4.

²⁴ Id.

²⁵ Id. Page 5.

²⁶ The Energy Advocates’ Response to Roadmap Acknowledgement Questionnaire. Page 9.

²⁷ Id. Page 10.

Staff Analysis: Utilities should be making every effort to meet the requirements of HB 2021 for the CEP. Towards that end, the Commission may provide the energy utility an opportunity to revise the CEP before issuing an acknowledgment order – like it can do with an IRP.²⁸ Staff plans to propose this as part of the IRP rule update in the procedural workstream.

If the Commission finds that the plan does not meet the requirements set forth in HB 2021, then the utility should be required to revise and resubmit the plan in a timely manner before acknowledgment. The amount of time required to adequately revise the plan may depend on the extent of the revisions and would ultimately be up to the Commission to determine.

Regarding the relationship between CEP and IRP acknowledgement, Staff sees the acknowledgement decisions for the CEP and IRP as highly interdependent. IRP Guideline 1(d) states that “The plan must be consistent with the long-run public interest as expressed in Oregon and federal clean energy policies.” The purpose of the CEP is to demonstrate that the utility’s plan complies with HB 2021, a clean energy policy of the state of Oregon. From Staff’s perspective, non-acknowledgement of the CEP would indicate that the plan is not consistent with the requirements of HB 2021, and therefore the IRP would not meet Guideline 1(d). In this way, IRP acknowledgement may depend on CEP acknowledgement.

HB 2021 §3(a) implies that the CEP is also highly dependent on the IRP:

[a] clean energy plan must be based on or included in an integrated resource plan filing... or developed within an integrated resource planning process and incorporated into the integrated resource plan filed with the commission.

To address these interdependencies between the IRP and CEP, Staff proposes that the Commission consider IRP and CEP acknowledgement decisions together so that CEP considerations can inform IRP acknowledgement and IRP considerations can inform CEP acknowledgement.

Staff agrees that partial acknowledgement and acknowledgement with conditions are useful and efficient tools to address deficiencies while enabling implementation of plan components that have been adequately vetted and are determined by the Commission to be in the public interest. Staff recommends that these tools also be considered by the Commission in weighing CEP acknowledgement, as appropriate.

Staff Proposal (*effectuate through procedural rules*):

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.

²⁸ See OAR 860-027-0400(6).

Topic #8. Annual update

Issue Background: HB 2021 does not explicitly require an annual update filing with the Commission. However, multiple stakeholders suggested in their questionnaire responses that an annual update filing might provide additional transparency and accountability as utilities implement their plans. Staff sought additional feedback on this topic at the workshop.

Stakeholder Input: CUB and Energy Advocates suggest a required annual update filing where the utility would report performance relative to annual goals and provide their DEQ emissions accounting reports to the OPUC.

At the workshop, Staff sought feedback on whether there should be an annual filing or whether the IRP Update could be leveraged to provide this information. Some stakeholders expressed a preference to limit the number of filings and dockets and some noted that if modifications to the utility's plans would be considered in an annual filing, then such filings should incorporate substantial involvement of the public.

Staff Analysis: Staff agrees that it will be important for utilities to provide information regarding performance with respect to annual goals and metrics with some regularity between plans so that the Commission can evaluate the utility's progress and respond if the utility is not meeting the objectives of HB 2021. Staff is also sensitive to the number of planning-related dockets and filings and shares concerns regarding the ability of stakeholders to meaningfully engage in additional regulatory processes.

From Staff's perspective, the primary value of an annual update filing would be transparency into the utility's progress to date using the goals and metrics established in a prior plan, rather than re-opening planning questions in a manner that would require significant stakeholder input. Staff is also sensitive to the logistical considerations and constraints that might affect the timing of such update filings. For example, if such an update filing were to be required on an annual basis, it would provide the most value if it were filed after finalization of the DEQ emissions reports and after the utility has had a chance to evaluate performance on each of the annual goals and metrics included in the plan. Given the timing uncertainty across these activities at this time and the desire to consolidate regulatory processes where possible, Staff does not believe that adding a requirement for an annual update filing makes sense at this time. Instead, Staff proposes that the utility provide progress updates within the IRP Update.

Staff Proposal (effectuate through procedural rules):

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.**

Chapter 2 – Community Lens Straw Proposal

Straw Proposal Background

In its UM 2225 [Investigation Work Plan](#), Staff identified Community Lens issues as a priority for near-term guidance. Staff's objective for this work stream is to set expectations for these new analytical requirements:

1. Risk-based resiliency analysis found in ORS 469A.415(4)(c);
2. Offsetting fossil fuels with community-based renewable energy projects (CBREs) analysis found in 469A.415(4)(d); and
3. The overall need to begin incorporating non-energy benefits into utility planning, including 469A.420(2)(a) and (f).

Process Informing the Straw Proposal

Stakeholders completed a [questionnaire](#) explaining how they envision these analyses. Staff received questionnaire responses from:

- Energy Advocates [The NW Energy Coalition, Climate Solutions, Spark Northwest, Oregon Solar + Storage Industries Association (OSSIA), Multnomah County Office of Sustainability, and Rogue Climate]
- The Coalition of Communities of Color, Rogue Climate, Verde, Multnomah County Office of Sustainability, and Sierra Club
- Oregon Citizens' Utility Board (CUB)
- PacifiCorp (PAC)
- Portland General Electric (PGE)
- Renewable Northwest (RNW)
- Swan Lake pumped hydro storage project (Swan Lake)

Following the questionnaire, parties participated in two educational webinars:

- June 2, 2022: Introduction to Community Benefits Methods ([presentation and recording](#))
- June 15, 2022: Introduction to Resiliency Planning ([presentation and recording](#))

Staff tested areas of alignment and solicited additional input on remaining questions at the June 29, 2022 workshop ([recording](#)). Staff's key learnings from this process include:

- Parties have clear, detailed expectations for the resiliency risks and opportunities that should be considered in the Community Lens analysis.
- Parties have clear, detailed expectations about the community impacts and benefits that the utilities should begin incorporating into the CEP (and planning in general).
- Community Lens analysis and the identification of community impacts and benefits should be developed in coordination with community and other stakeholders.
- Community Lens analysis should leverage other planning activities and identify incremental resiliency and other CBRE opportunities.
- The utilities should satisfy the HB 2021 Community Lens requirements by establishing utility acquisition targets and explaining actions that the utility will take to reach those targets.

Straw Proposal Overview

The remainder of this proposal outlines the near-term guidance that Staff proposes for utilities in the first CEP and IRP based on these discussions, including:

- Identifying Community Lens acquisition targets and associated actions to achieve them
- The opportunities that should be considered in developing acquisition targets and actions to achieve them;
- The identification of Community Benefits Indicators (CBIs) for use in the first CEP and IRP;
- Additional analytical guidance related to offsetting fossil fuels with resiliency projects and other community based renewable energy projects (CBREs); and
- Additional analytical guidance for evaluating resiliency risks and opportunities.

Straw Proposal Details

In its UM 2225 [Investigation Work Plan](#), Staff identified Community Lens issues as a priority for near-term guidance. Staff's objective for this work stream is to set expectations for these new analytical requirements:

4. Risk-based resiliency analysis found in ORS 469A.415(4)(c);
5. Offsetting fossil fuels with community-based renewable energy projects (CBREs) analysis found in ORS 469A.415(4)(d); and
6. The overall need to begin incorporating non-energy benefits into utility planning, including ORS 469A.420(2)(a) and (f).

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- Community Lens analysis and the identification of community impacts and benefits should be developed in coordination with community and other stakeholders.
- Community Lens analysis should leverage other planning activities and identify incremental resiliency and other CBRE opportunities.
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- The opportunities that should be considered in developing acquisition targets and actions to achieve them;
- The identification of Community Benefits Indicators (CBIs) for use in the first CEP and IRP;
- Additional analytical guidance related to offsetting fossil fuels with resiliency projects and other community based renewable energy projects (CBREs); and
- Additional analytical guidance for evaluating resiliency risks and opportunities.

Topic #1. Community Lens Acquisition Targets

Staff believes that the most feasible and impactful implementation of the Community Lens analyses required by HB 2021 [469A.415(4)(c) and (d)] is to perform a dedicated analysis for use in setting acquisition targets for resiliency projects and other CBREs. The risk of undervaluation and the complexities of identifying the technical potential and resource shape for CBREs in the IRP is similar to that of demand-side resources (energy efficiency and demand response). Therefore, Staff proposes similar treatment for the identification of CBREs.

PacifiCorp proposes to identify opportunities for CBRE acquisition after performing portfolio analysis. Instead, Staff recommends that the utilities begin with a potential study that helps utilities identify the right level of CBREs as part of a portfolio that balances cost, risk, emissions reductions and community impacts and benefits.

Given the timing and novelty, Staff believes that utilities should have flexibility in incorporating the results of the potential analysis into portfolio modeling in the first CEP and IRP. Ideally, the results of the potential analysis are fully integrated into portfolio analysis, with the selection of CBREs occurring concurrently with other resource actions based on a holistic evaluation of cost, risk, GHGs, and CBIs. However, the utilities may only have time to identify a fixed level of CBRE acquisition in the first IRP/CEP based on an outside analysis within the potential study and to optimize the rest of the portfolio around those CBRE acquisitions.

As with all elements of the Community Lens analysis, Staff proposes that these studies and their incorporation into the CEP/IRP analysis are developed with community and other stakeholders.

Staff recommendation:

- **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.**

Topic #2. Opportunities Considered within Community Lens Potential Studies

Guidance for the opportunities for resiliency projects and other CBREs will be used in two ways:

1. Performing the Community Lens potential study or studies; and
2. Describing the actions that the utility will take to achieve its CBRE acquisition targets.

Consistent with the recommendations for annual actions within the Roadmap Acknowledgement guidance in Chapter 1, Staff proposes that the resiliency and other CBRE opportunities focus on actions that facilitate GHG reductions by producing nonemitting energy (e.g. renewable generation) or reducing the reliance on fossil resources to meet demand (e.g. energy storage and demand-side actions). Staff believes that it will be helpful to understand if there are other actions, such as undergrounding lines connected to a microgrid, that should be included in the costs and benefits of a CBRE, as well.

As with all elements of the Community Lens analysis, Staff proposes that opportunities are further developed with community and other stakeholders.

Staff recommendation:

- **Opportunities for resiliency projects and other CBRE actions should be developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff.**

- ***Opportunities can include demand, supply, and storage actions that help facilitate greenhouse gas emissions reduction.***

Topic #3. Community Benefits Indicators

Staff finds that the incorporation of community impacts and benefits into the CEP and related planning activities is a critical near-term priority for the implementation of HB 2021. Staff anticipates that utilities will eventually use CBIs comprehensively in planning (i.e., across potential studies, portfolio scoring, procurement, program design, metrics that create baselines and measure progress toward CEP goals, and broader performance measures for utility investments.) Staff understands that the detail and rigor of CBIs will need time to mature based on shared learnings and evolving consultation with customers and stakeholders. Staff also expects alignment to improve across PUC-led activities, such as transportation electrification budget and program management and the development of low-income needs assessments (LINA) to support implementation of House Bill 2475.²⁹

Given the time and modeling constraints present at this time, and the work underway to establish Utility Benefits and Impacts Advisory Groups, Staff believes that it is reasonable to expect the utilities to use a minimum set of preliminary measures of community impacts and benefits in the first CEPs and associated IRPs. Staff also believes that these measures should not be restricted to evaluating CBRE opportunities. It will be equally important to understand the performance of all portfolio actions along these measures *[Further details in Topic #4]*.

Staff's proposed minimum categories are designed to be flexible but clear in setting expectations for the scope of CBIs expected in the first CEP and associated IRP. These categories are broad enough to be refined with community, stakeholders, and Staff, during the utilities' implementation of the Planning Engagement Strategies.³⁰ Staff has attached a more detailed proposal from a coalition of advocates (Attachment A – Stakeholder CBI proposal). While implementing this level of detailed measures and developing the associated metrics may not be possible for the first CEP and IRP, Staff believes that the utilities should incorporate this input into the development of their CBIs to the extent practicable and to clearly explain any input that is not addressed in the first CEP and IRP, consistent with Chapter 1 Roadmap Acknowledgment guidance. The utilities should continue to work with community, stakeholders, and Staff to evolve their CBI implementation on a timeline that will allow some CBI metric tracking by the time that the first IRP/CEP Updates are filed.

Finally, Staff encourages the utilities to consider the health impacts of energy efficiency in working to develop a CBI(s) for health and community well-being.

Staff recommendation:

- ***The utility will develop community benefits indicators in coordination with representatives from the communities served by the utility and with input from stakeholders and Staff.***
- ***The community benefits indicators (CBIs) will be used in the Community Lens potential study or studies and scoring each portfolio in the IRP.***

²⁹ See Docket Nos. UM 2165 and UM 2211, respectively.

³⁰ See updated planning engagement strategies for [PAC](#) and [PGE](#).

- ***At a minimum, the utilities will use quantifiable and measurable CBIs in development of the first CEP/IRP within each of the following CBI topic areas:***
 - ***Resilience (system and community) [Further detail in Topic #5],***
 - ***Health and community well-being,***
 - ***Environmental impacts [Further detail in Topic #4]***
 - ***Energy Equity (distributional and intergenerational equity), and***
 - ***Economic impacts.***

Topic #4. Off-setting Fossil Fuels with CBREs

HB 2021 requires that the CEP examine the “costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy.” [469A.415(4)(d)]

Because the CEP and associated IRP will be focused on weighing the cost, risks, and benefits of different actions to comply with HB 2021, the most straightforward way to satisfy this requirement is to ensure that the utility consistently and transparently reports on the emissions of portfolios with CBREs. This should reflect similar treatment for CBREs with current practices for demand-side resources in the IRP.

Staff recommendations

- ***The utility must incorporate the CBRE acquisition targets into IRP portfolio modeling in a manner that accounts for their expected costs and their expected impacts on the IRP resource portfolio performance, including impacts to resource dispatch and fuel burn, portfolio emissions, resource adequacy needs, and resource additions.***
- ***If system-wide benefits exist for a potential CBRE or resiliency opportunity, the utility must quantify those benefits in a manner consistent with the IRP when evaluating the opportunity for inclusion in the CEP. System-wide benefits are not limited to, but may include: resource adequacy contributions, energy value, avoided GHG emissions, and avoided transmission.***

Topic #5. Resiliency-specific guidance

Staff greatly appreciates the detailed comments related to the incorporation of resiliency risks and consideration of opportunities that includes “costs, consequences, outcomes and benefits.” While industry standards and guidelines are an emerging field, Oregon stakeholders have an impressive depth and sophistication of understanding in this area that Staff finds invaluable.

For the first CEP and associated IRP, Staff proposes that community and system resilience are explored through the Community Lens potential study or studies described in Topic #s 1-4. Given the importance of this topic, Staff provides additional analytical guidance below, based on stakeholder input and the existing research presented by the Grid Modernization Laboratory Consortium (GMLC). Staff intends for this guidance to set clear minimum expectations while providing utilities flexibility to implement what is feasible and do so in coordination with community, stakeholders, and Staff.

In addition to the below analytical guidance, Staff expects that the utilities look to the GMLC report on industry standards and best practices for more detailed direction for implementing Staff’s guidance. Staff will clarify these items to the extent possible when the report is delivered to UM 2225 parties and

when it is presented to the Commission for adoption. In other words, this guidance is the ‘what’ and the GMLC report will elaborate further on the ‘how’. And, with all Community Lens items, the final product should be developed in coordination with community, as well as stakeholders and staff.

In general, stakeholders agree that resiliency should consider the reliable provisioning of electricity, regardless of the adverse conditions, and expected that the risks to be considered should be tailored to the individual communities. From Staff’s perspective, expansion of industry-standard metrics to account for all ranges of conditions under which the electric system delivers is a valid metric to determine extreme day performance, however it is not able to fully address the range of extreme events for which the utilities must plan. Therefore, analysis should be cognizant of the location-and-population specific risks to the extent practicable. Further, since CEPs are long-range planning instruments, they need to consider changes that could occur over decades and how the changes shift the resilience of a given community. Therefore, consultation with communities and with experts who study and forecast substantial changes, such as climate change, long term supply concerns and others is warranted.

The guidance below relies on the following key takeaways from stakeholders and industry experts:

- Resilience should be treated as a key CBI in the first CEP and associated IRP.
- Utilities should have flexibility to determine if resilience requires a separate potential study, but Staff cautions against duplicative studies given the overlap in opportunities and benefits with other CBREs.
- While a Commission-adopted resiliency metric is not feasible for the first CEP, the treatment of resiliency risks in implementing the resilience CBI should reflect a few minimum expectations.
- While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should remain consistent with the overall guidance for annual actions and CBRE opportunities, as well as other planning activities.

Staff recommendations:

- ***The first CEP must include a chapter dedicated to describing its resiliency-related analysis, including at minimum:***
 - ***How it was developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff;***
 - ***How resiliency risks were examined and weighted;***
 - ***How resiliency opportunities were identified, measured, and weighted; and***
 - ***The key resiliency-related actions the utility will prioritize in the action plan window to support its CBRE acquisition targets.***
- ***When evaluating resiliency risks for the first CEP and associated IRP, the utility should at minimum:***
 - ***Account for system and community resilience.***

- **Identify risks that have been identified in other planning processes already as well as gaps in system and community resilience not filled by other planning activities, such as DSP and WPP.**
 - **Consider the zone of tolerance for communities/populations within the service area.**
 - **Rely on measurable historical reliability performance measures that reflect:**
 - **all outages (planned, major event, or underlying);**
 - **the top causes for each day during which a major event occurred;**
 - **the numbers of customers out and the restoration performance for their supply;**
 - **The estimated impacts to the customers;**
 - **The demographics of the community, including classification of energy equity or other social or environmental justice measures; and**
- **While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should reflect a few minimum expectations:**
 - **Focus on actions that help facilitate emissions reductions (e.g., generation, storage, demand-side actions). However:**
 - **The utility may include, for general understanding, if there are other actions, such as undergrounding lines connected to a microgrid that need to be included in the costs and benefits of a CBRE.**
 - **The utility may include supplemental discussion of other actions the company is taking to further enhance the resiliency of its system and communities (such as situational awareness investments or helping customers access portable back up generation). This discussion would be for context only and if the actions are not facilitating emissions reductions, they should not be considered actions for the CEP.**
 - **Consider opportunities to work with local communities on local resiliency planning.**
 - **Consider and clearly differentiate actions that are related to other plans, such as DSP and WPP analysis, and those that are newly identified.**
 - **If proposing a specific action, describe the cost, timing for delivery and implementation into utility operations.**

Attachment A – Stakeholder CBI Proposal

Staff received the following proposal from representatives of NW Energy Coalition, Coalition of Communities of Color, Verde, Rogue Climate, and the Columbia River Inter-Tribal Fish Commission.

Goal of Metrics:

- Guide utility resource selection in laying out their Clean Energy Plans, Integrated Resource Plans, and Request for Proposals in a way that ensures community benefits are delivered as called for in HB 2021.
- Monitor utility performance through the discussion of performance areas within CEPs, establishing targets within CEPs, and tracking metrics within CEP Reports.
- Consistently track and report on performance metrics to establish baseline data.
- Utilize data to evaluate utility CEP portfolio outcomes and gaps and make informed recommendations.
- Prioritize metrics that assess an equitable distribution of benefits and burdens as well as affordability.

Numbering Convention

1. Community Benefit Indicator
 - a. Metric

Tribal Benefits and Priorities

Ecosystem/Non-Energy Benefits

1. Protect fish and reduce the region's pressure on the Columbia River ecosystem
 - a. Increased number of salmon population in the Columbia River.
 - b. Improved salmon migration routes.
 - c. Overall healthier Columbia River ecosystems.
2. Meaningful bilateral engagement between utilities and tribes on siting.
 - a. Meaningful consultation with Tribal members.
 - b. No Tribal resources and ecosystems disturbed without Tribal consent.
 - c. Increase in trust and partnership between Tribes and utilities.

Energy Benefits

1. Increased availability of electricity storage in Tribal and non-Tribal communities.
 - a. Increase in battery storage that serve Tribal communities.
 - b. Provide opportunity to Tribal communities to own storage.
 - c. Reduced peak load, therefore reducing pressure on Columbia River.
 - d. Less pumped storage sites.
2. Improve energy efficiency of housing stock in Tribal communities.
 - a. Increase in energy efficient homes for tribal members.
 - b. Reduction in Tribal energy burden.
 - c. Increased number of weatherized homes for Tribal communities.
3. Increased number of clean energy generation that powers Tribal communities.
 - a. Phase-out of fossil fuel resources.

- b. Increase in number of distributed clean energy resources owned by Tribal communities.

Larger Community Benefits and Priorities

Energy Benefits

1. Improve efficiency of housing stock in utility service territory, including low-income housing:
 - a. Increased funding of efficiency programs targeted to low income households, both owner and renter.
 - b. Increased participation in efficiency programs.
 - c. Reduction in bills due to actions taken to improve efficiency.
 - d. Increase number and percentage of appliances converted to efficient models.
 - e. Improvement and expansion of EE in rental housing stock.
2. Low income and vulnerable communities have access to an increasing number of renewable or non-emitting distributed generation resources:
 - a. Increase in number of distributed and community renewable projects, including those with storage.
 - b. Increase in number of community groups or public agencies that serve low-income and vulnerable communities and households that own renewable energy projects, especially ones paired with storage.
 - c. Increase in number of community-owned storage, especially environmental justice and low-income communities.
 - d. Increased percentage of electricity generated by distributed renewable energy projects, including storage for when renewable production is low.

Non-Energy Benefits

3. Community Employment opportunities:
 - a. Increased number of local environmental justice and low-income communities' representation in clean energy apprenticeships and training programs in the state.
 - b. Increase in number of living wage/union jobs sustained.
 - c. Increased representation of low-income and vulnerable communities for contractors selected in local program delivery.
 - d. Apprenticeship and contractor opportunities are made available to non-English speakers as well as women and veterans.
4. Health and Community well-being:
 - a. Improved housing conditions: health and safety outcomes related to weatherization measure installation.
 - b. Improved comfort in home (for example, customers' ability to heat/cool as

needed, with efficient heat pump technology) and more affordable bills.

5. Improved Public Health outcomes:
 - a. Reduction of hospital admissions for asthma and harmful emissions-related illnesses.
 - b. Decreased wood use for home heating.
 - c. Improvements in indoor and outdoor air quality in communities that experience poor air quality due to pollution.

Reduction of Burdens

6. Reduction in number of customers suffering from high energy burden by:
 - a. customers in highly impacted communities;
 - b. customers in vulnerable populations;
 - c. participants in bill assistance programs;
 - d. known low-income customers; and
 - e. other residential customers with high energy burden.
7. Reduced barriers for program participation:
 - a. Increased participation in bill assistance, weatherization, and energy efficiency programs, renewable and smart grid pilots and grant opportunities.
 - b. Expanded translation services.
 - c. Reduction in cost disparities between customers who have access to EV charging at home on a residential rate and customers who do not have access to EV charging at home.

Environment

8. Reduction of GHG emissions:
 - a. Continuous reduction in overall greenhouse gas emissions in the utility service area.
 - b. Increased electrification of buildings and homes, including those occupied by renters.
 - c. Increased electrification of transit services.
9. Reduced Pollution Burden and Pollution Exposure:
 - a. Decrease in share of population and pollution burden, by race/ethnicity, geography and all customer groups (e.g., income level, frontline community, senior citizens, medically vulnerable, rural/urban, renter/homeowner, race, gender, ability/disability, language spoken, etc.).
 - b. Decrease in air pollution exposure index, by race/ethnicity and all other customer groups.
 - c. Reduction of particulates from fossil fuel burners in targeted neighborhoods.
 - d. Improved air quality due to reduction in diesel particulate emissions.

10. Increase Neighborhood Safety:

- a. Reduction in frequency and length of outages due to major disasters, wildfires, and extreme weather events through cost-effective investments to reduce risk.
- b. Increased capacity of the local community to respond to local disasters or weather events.
- c. Increase the number of critical facilities with solar paired with storage, so that local fire, police, medical facilities, and other critical facilities can retain power during outages.

Energy Security

11. Reduced Residential Disconnections:

- a. Reduction in number and percentage of residential customer disconnections.
 - i. Reduction in number and percentage of residential customer disconnections by location (and demographic info) of residential customer disconnections (zip code/census tract; renter; known low-income; highly impacted communities; and BIPOC customers).

12. Improved access to reliable clean energy:

- a. Increase distributed generation in low-income neighborhoods, focusing on ownership by low-income and highly impacted communities.
- b. Optimize grid investments on the distribution system through increased community-centered distribution system planning.

Resilience

13. Reduction in frequency and duration of blackouts or brownouts in target communities:

- a. Improve SAIDI and SAIFI, particularly in communities that have experienced long loss of service in the past.

14. Reduction in energy and capacity need:

- a. Increased participation in targeted demand response, load management, distributed generation and behavioral programs that result in a measurable reduction to peak demand.
- b. Increased acquisition of energy efficiency savings.
- c. Increased water savings due to water efficiency measures.

15. Reduction in recovery time and increase in survivability from outages:

- a. Increase number of neighborhoods with storage/backup/locally powered centers for emergencies.
- b. Increase access to renewable generation and storage in order to provide a safety net to households that rely on power to keep necessary medical equipment on and

medications refrigerated.