

May 20, 2022



UM 2225 Clean Energy Plan Investigation Roadmap Acknowledgement Questionnaire

OPUC Staff is seeking to understand initial perspectives on key questions about acknowledgement standards for the Clean Energy Plan, including the roadmap of actions utilities propose. Staff invites answers to some or all of the questions below by June 10, 2022.

Clean Energy Plan Investigation

HB 2021 establishes an ambitious emissions-based clean energy framework for electricity providers in Oregon.¹ The bill requires the state's large investor-owned utilities (IOUs), Pacific Power and Portland General Electric, and electricity service suppliers (ESSs) to decarbonize their retail electricity sales by 2040 with consideration for direct benefits to local communities. It also requires IOUs to file Clean Energy Plans that demonstrate the utility's strategy to comply with the emission-reduction targets in HB 2021.

Clean Energy Plans are foundational to HB 2021's decarbonization framework and therefore, planning guidance is the initial focus of the OPUC's HB 2021 implementation activities.² The Commission opened Docket No. UM 2225 Investigation into Clean Energy Plans to 1) identify near-term guidance for incorporating HB 2021's requirements into utility planning; and 2) identify any other near-term planning improvements that will better position the utilities within the decarbonization timeline.

On April 4, 2022, Staff released its [Investigation Work Plan](#), targeting Commission adoption of near-term planning guidance in September 2022. The Work Plan includes four workstreams. Staff's second workstream, Roadmap Acknowledgement, 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.

Roadmap Workstream

HB 2021 sets forth a range of requirements for Clean Energy Plan analysis and Commission acknowledgement. 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.

Staff envisions that this policy guidance will help ensure meaningful planning and acknowledgement outcomes and will be used to inform the development of subsequent procedural and analytical guidelines for the first Clean Energy Plans.

Staff's proposed process to achieve these outcomes is designed to balance swift decision-making with the need to inform the new, complex decarbonization planning framework with broad input. The process includes the following steps:

¹ HB 2021 is codified in Oregon Revised Statute (ORS) 469A.400 to 469A.475. Clean Energy Plan requirements are found primarily in Section 4 and Section 5 of HB 2021.

² Information about the PUC's broader HB 2021 implementation strategy and activities is accessible here: <https://www.oregon.gov/puc/Pages/Legislative-Activities.aspx>.

- May 20, 2022 (in advance of the Step 1 Planning Framework workstream public meeting): Staff releases questionnaire to understand perspectives and initial proposals for what roadmap and acknowledgment look like for the first Clean Energy Plans
- June 10, 2022: Responses to questionnaire due and published to UM 2225
- June 22, 2022 (*TENTATIVE DATE*): Workshop to present and discuss proposals
- July 8, 2022: Staff releases proposal for Commission guidance
- July 29, 2022: Comments on Staff proposal
- August 23, 2022: Public Meeting for Commission decisions and guidance on policy expectations for the actions and compliance strategies presented in Clean Energy Plans (may include implications for other planning processes)

**For dates following June 10th, Staff will keep parties updated if the need arises to adjust workshops or other dates.

Questionnaire

Staff looks forward to understanding stakeholder expectations regarding annual goals for actions in the Clean Energy Plan (CEP) as well as the standards for and implications of acknowledgement. [Note: Staff articulated two potential pathways through which the CEP could be developed and reviewed in its [Planning Framework Straw Proposal](#). The Commission plans to discuss these pathways at the May 31, 2022, Commission meeting. Staff does not expect stakeholder responses to this questionnaire to tie to a particular pathway or incorporate outcomes of the Commission meeting, although stakeholder responses that do are certainly welcome.]

Participants are invited to answer *some or all* of the questions below by **June 10, 2022**.

Responses will be posted to the UM 2225 docket. Please submit responses to the [OPUC Filing Center](#) at puc.filingcenter@puc.oregon.gov.

Please limit responses to 7 pages total per individual or organization.

Please contact OPUC Staff with questions:

Zach Baker at zachariah.baker@puc.oregon.gov or 503-881-4072.

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 background

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

“(a) Incorporate the clean energy targets set forth in section 3 of this 2021 Act;

(b) Include annual goals set by the electric company for actions that make progress towards meeting the clean energy targets set forth in section 3 of this 2021 Act...”

Prompts to help inform answers

- The Integrated Resource Plan (IRP) that utilities currently use, typically reports information about resource needs and potential resource additions out at least 20 years. Over how many years should annual goals for actions be included within the CEP?
- In the IRP, the Commission considers acknowledgement of the actions that the utility has proposed over the next two to four years in the IRP Action Plan. Over how many years should the annual goals for actions in the CEP be considered for acknowledgement by the Commission (i.e. the CEP acknowledgment horizon)?
- If there are actions proposed that go beyond the CEP acknowledgment horizon (see question above), how should those actions be presented, considered, and assessed?

Question 2: What details should the annual goals for action include?

Question 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”

HB 2021 §4(5) states that:

“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.”

Prompts to help inform answers

- How will resource procurements be reflected in annual goals?
 - How will the annual procurement goals differentiate between system resources and customer supported renewables or resources associated with voluntary programs?
- How will other programmatic actions or investments be reflected in annual goals, including energy efficiency, demand response, resiliency investments, community-based resources, and new transmission or other supporting infrastructure?
- How will other actions, including resource retirements and changes in system operations, be reflected in annual goals?
- Across all types of actions, what are the expectations in terms of level of detail presented in the CEP?
- Across all types of actions, how will information be updated and adjusted as actions are taken over time?
- What are the expectations for multi-state utilities to provide transparency and understanding of the interaction between a CEP, a multi-state cost allocation methodology, and DEQ’s emissions accounting practices [§4(3)(a), §5(1)]?

Question 3: How should compliance and continual progress be demonstrated and assessed?

Question background

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

“(e) 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:“(6) 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.”

According to HB 2021 §5, the Department of Environmental Quality must verify the projected greenhouse gas emissions 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.

Prompts to help inform answers

- What should be included in the CEP to demonstrate projected compliance with emissions reduction targets?
 - Should what needs to be included differ based on whether the projected emissions reductions are within the CEP acknowledgement horizon or in years beyond the CEP acknowledgement horizon? If so, how?
- Regarding the Department of Environmental Quality (DEQ) being required to verify the projected emissions reductions:
 - Should this occur within a certain time of filing the CEP?
 - How should DEQ’s verification of projected emissions factor into the Commission’s acknowledgement decision?
 - What should happen if some or all of the projected emissions reductions cannot be verified?
 - Should it make a difference if the projected emissions reductions are within the CEP acknowledgement horizon or outside of the CEP acknowledgement horizon?
 - Should there be an opportunity for the electric company to remedy the projected emissions reductions? If so, what should that opportunity look like?
- How should a CEP demonstrate “continual progress within the planning period to towards meeting the clean energy targets...including demonstrating a projected reduction of annual greenhouse gas emissions”?
 - What factors might influence the pace of “continual progress” over time?
- How should the Commission “ensure that an electric company is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers”?

Question 4: How do you envision Commission acknowledgement of the Clean Energy Plan/annual goals for actions?

Question 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”

Prompts to help inform answers

- What should CEP acknowledgement signify?
- What exactly should acknowledgement of the CEP cover? The CEP generally, the annual goals for actions, and/or other specific items in the CEP?
- Should the meaning of acknowledgment vary across different types of actions (e.g., procurements of system resources; procurements of customer supported renewables or resources associated with voluntary programs; energy efficiency; demand response; resiliency; community-based resources; new transmission or other supporting infrastructure; resource retirements; and changes in system operations)? If so, how?
- What are the standards for acknowledgement of a CEP?
 - How should technical feasibility be considered in the acknowledgement decision?
 - How should reliability and resiliency be considered in the acknowledgement decision?
 - How should affordability and economic feasibility be considered in the acknowledgement decision?
 - How should environmental and health factors be considered in the acknowledgement decision?
 - How should impacts and benefits to communities be considered in the acknowledgement decision?
 - What other factors should be considered in the acknowledgement decision?
 - Which, if any, of these standards are already reflected in the IRP Guidelines?
- What happens if a CEP is not acknowledged?

To receive schedule updates, meeting notices and agendas, comments, and other materials related to this docket, please send an email to puc.hearings@puc.oregon.gov, and ask to be added to the service list for Docket No. UM 2225.