



UM 2225 Investigation Into Clean Energy Plans Investigation Launch Workshop

February 9, 2022



Logistics

Thank you for joining us today!

- For discussion and comments, use "Raise Hand" button to get in the queue; if joined by phone press *9
- Include your affiliation in your Zoom name
- Say your name and affiliation before speaking
- Engage with the main dialogue
- Move around and take care of yourself as needed



Meeting Protocols

Introductions in the chat

- Name
- Organization
- Key objective of the resource planning process



Honor the agenda and strive to stay on topic



Provide a balance of speaking time



Listen to understand and ask questions to clarify



Stay engaged and be open about your perspective and experience



Address issues and questions - focus on substance of comments without attacking others



Bring concerns and ideas up for discussion at the earliest point in the process

Meeting Objectives

- Level set on HB 2021 strategy and Staff's initial scoping research
- Refine and prioritize key issues
- Receive input on process and schedule



Agenda

*Pacific Time



Commission Workshop: 9:30a – 11:00a

9:30a	Welcome
9:50a	HB 2021 overview and strategy
10:00a	Scoping presentation
10:40a	Closing discussion

Break: 11:00a – 12:00p

Staff Workshop: 12:00p – 3:00p

12:00p	Small group discussion
1:15p	Large group report out and synthesis
2:15p	BREAK
2:30p	Process discussion
2:50p	Closing discussion

Welcoming remarks



HB 2021 overview and strategy



HB 2021 Overview



	Issues	Sections
Planning (IOUs)	Targets and baselines Clean Energy Plans – process, content, and acknowledgement criteria Coordination with DEQE throughout	3 4, 5(1)-(2) 5(1)
Compliance (IOUs)	Monitoring continual progress Compliance – process, methods, exceptions, coordination with DEQ Off-ramps – reliability, cost Early compliance incentives	4(6) 5(4), 8(1)-(3) 9,10, 16 12
Direct Access Issues	Forward looking report Compliance - methods, exceptions, coordination with DEQ Off-ramps New guidance about cost-shifting and competitive policy priorities Supply mix disclosure requirements	5(3) 8(1)-(3) 11 14, 23 25
Customer and community benefits	Utility Community Benefits and Impacts Advisory Group Future PURPA avoided costs changes to reflect generators that contribute to compliance ODOE Study on Small Scale Renewable Energy Projects ODOE Community renewables grant program + advisory committee Updated small scale community-based renewable requirements	6 8(4) 18 29-36 37
Customer supported renewables	Housekeeping portfolio options Community-wide renewable products (a portfolio option)	20-21 22
Underlying attributes and RPS interactions	Emissions accounting based on underlying resource (not RECs) No repeal of RPS statute Changes to definition of bundled and unbundled REC	7 13 24
Other elements	Labor standards Natural gas plant prohibition	26-27 28

HB 2021 Overview



	2021	2022				2023				2024				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
PGE (forecasted)	PGE RFP (UM 2166)						PGE IRP/CEP		PGE RAC (2021 RFP)	PGE RFP (2023 CEP)				
PAC (forecasted)	PAC IRP (LC 77)						PAC IRP/CEP		MSP Expires					
	PAC RFP (UM 2193)								PAC RAC (2020 RFP)					
Planning (IOUs)	1 Near term planning/procurement/filing guidance					2 Risk-based resiliency guidance				3 Guidance/Resiliency Update				
Compliance (IOUs)	4 Monitor and take action as necessary													
Direct Access	5 UM 2024 – Phase 1					6 UM 2024 – Phase 2				7 OAR 860-038 Housekeeping				

Planning: (1) Focus near-term efforts on integrating the IRP/RFP/CEP process to be most efficient and effective under rapid decarbonization and other transformative policies. The investigation will consist of technical and policy workshops, followed by PUC Staff straw proposals, comment opportunities, and PUC public meetings to adopt interim guidance—investigation scope will also include PUC-DEQ coordination and inform appropriate mechanism to monitor continual progress; (2) Initiate investigation to develop PUC-approved standards and guidance for risk-based resiliency analysis. PUC seeking USDOE resources to support technical workshops, followed by a US DOE whitepaper (or PUC Staff straw proposal), comments, and a PUC public meeting decision to adopt interim guidance; (3) Launch a subsequent investigation (potentially a rulemaking) to revise IRP/RFP/CEP guidance following first IRP/CEP filing.

Compliance: (4) The PUC will monitor utility actions and related impacts on reliability and costs, and take actions as appropriate. Given that compliance requirements begin in 2030, the PUC has identified no need to focus near-term resources on compliance-related actions. In particular, given the uncertainty of actions to be taken by the IOUs to meet the emission reduction targets, the status of regional and state resource adequacy discussions, and the status of other unknowns such as multi-state protocol agreements, the PUC believes it is premature to address questions related to the implementation of cost or reliability off-ramps (e.g., how to attribute investments to HB 2021 and what methodology to use for the cost cap). If related issues are raised in the near-term under §§ 9 and 10 in HB 2021, the PUC will respond by initiating the processes identified in the bill. Other PUC activities and utility filings, such as IRPs, RFPs, and resource adequacy showings, will help inform these issues. Also note that the planning activities identified in #1 will include establishing a process to monitor ongoing progress toward 2030, 2035, and 2040 targets.

Direct Access: (5) The PUC has bifurcated docket [UM 2024](#) to address HB 2021 implementation issues related to direct access in the near-term. Phase 1 is a rulemaking that will address HB 2021 reporting (planning, continual progress, compliance, off ramps), non-bypassability framework, other competitive matters; (6) Phase 2 will be a contested case to examine HB 2021 considerations not captured in Phase 1 through examination of transition charges, caps, etc. (7) Following the completion of both phases in UM 2024, the PUC will open a rulemaking to update [OAR 860 Div 038](#) as necessary (i.e., changes in §§ 23 and 25).

HB 2021 Overview



	2021	2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Customer & Community Benefits	8 UCBIAG Tariff	9 UCBIAG Policy											
	10 AR 622			11 ODOE Study									
Customer Supported Renewables	12 Near-term community-wide tariff working group				13	Review utility tariff(s)							
					15	AR 616				14	OAR 860-038 Rulemaking		
Interaction with state and regional policies	16 Monitor and take action as needed												
Other Elements	17 Monitor and take action as needed												

Customer & Community Benefits: (8) PUC Staff will hold a workshop followed by utility tariff filings to establish mechanisms for contemporaneous recovery of costs for the Utility Customer Benefits and Impacts Advisory Group (UCBIAG); (9) PUC Staff will initiate a process in early 2022 on UCBIAG policies, including scoping, discussion of participants, meetings, reasonable costs, clarifying timing of biennial reports, with PUC formal action as necessary. This process will begin with utility proposals for UCBIAG scope and participation followed by a workshop in Q1 2022. (10) The pending [AR 622](#) rulemaking will implement the renewable energy project standard outlined in ORS 469A.210 and § 37 of HB 2021 – to conclude by end of 2021; (11) PUC to appoint a representative to the ODOE study required in §18 of HB 2021, and determine actions required after release of findings in September 2022.

Customer Supported Renewables: (12) PUC Staff will establish a working group to discuss tariff principles, review data, and provide educational resources for interested municipalities and other parties. The focus of the near-term PUC process will be education, transparency, and setting expectations for PUC review of customer supported renewable tariffs. The near-term process will focus on agreement among parties or a Staff whitepaper describing expectations for the tariff elements and process. The scope and schedule of this activity is dependent on success of PUC’s pending application for a USDOE Solar Innovators fellow to support work group and draft whitepaper/agreement. (13) PUC to respond to customer supported renewable tariffs as filed – even those submitted prior to 2023. The PUC, however, will be best prepared to most effectively and efficiently address filings made after the completion of near-term working group process, such as guidance about mitigating the impacts of community programs on energy burdened customers, as well as allow broader coordination and consideration of impacts across Oregon communities. (14) PUC to open rulemaking to update portfolio options policies found in OAR 860-038 rules as necessary. Will include implementation of customer supported renewables provisions, incorporation of HB 2021 §§ 20 and 21, as well as other potential activities, such as the intersection of the UCBIAG with the Portfolio Options Committee.

Interaction with state and regional policies: (15) PUC to complete [AR 616](#) RPS Implementation Plan rulemaking to address storage in the Renewable Adjustment Clause (RAC) and to streamline Renewable Portfolio Implementation Plans (RPIPs) to focus more resources on holistic IRP/RFP/CEP planning following completion of #1 IRP/CEP/RFP/Filings guidance; (16) PUC to continue to monitor intersection of HB 2021 with other state and regional policies, including the renewable portfolio standards, Washington’s Clean Energy Transition Act (CETA), and regional market activities. Specific investigations, such as guidance for Renewable Energy Credit (REC) attribution post-2030 compliance or HB 2021 required avoided cost updates in § 8(4), are not prioritized for near-term action.

Other Elements: (17) PUC will address and take action as required and consistent with HB 2021 provisions governing required labor standards and siting restrictions.

Clean Energy Plan Investigation



- **Purpose:** Identify near-term guidance that is needed prior to first Clean Energy Plans
 - Incorporate Clean Energy Plan requirements into utility planning and associated procurement activities
 - Help position the utilities to meet the HB 2021 targets
- **Goal:** Facilitate a collaborative, efficient, and responsive process that results in clarity of key issues in Q3 2022



HB 2021 Questions?



Scoping presentation

- Informal research into broader planning objectives, opportunities, challenges
- Scoping questionnaire focused on CEP requirements and relationships



HB 2021 & Planning

Summary of preliminary findings

Elaine Hart, Moment Energy Insights

February 9, 2022

Information Gathering

- Internal OPUC Survey
- Informal interviews with IRP stakeholders
 - Consumer advocates, environmental advocates, local government, community-based organizations, and utilities
- Informal interviews with outside experts in clean energy policy implementation

Key Questions

- Level setting: What is the purpose of resource planning?
- Where does the current planning process serve us well?
- Where does it fall short in the context of HB 2021 and other recent changes?

HB 2021 and Planning

Broadens the scope of the planning process
Clean Energy Plan, resiliency, community impacts & benefits

There is great urgency around providing guidance in advance of the first round of Clean Energy Plan filings
Much of today's discussion will focus here

Increases the technical complexity of planning
Low carbon systems with more granularity on the system

Creates urgency
80% by 2030
90% by 2035
100% by 2040

Reforming existing processes to better suit the challenges of planning for HB 2021 may require a phased approach
I'll provide some content on this before we switch gears

What is the purpose of resource planning?

- Provide visibility into where the utility is going, especially around large directional shifts
- Provide an opportunity to influence the utility's direction
- Establish resource need and identify actions to meet that need
 - Determine the balance between supply-side and distributed and customer resources
 - Set competitive procurement targets and evaluation methodologies
 - Evaluate specific resource actions that the utility may pursue outside of competitive solicitations
- Provide a consistent set of vetted information to support decision making in other forums

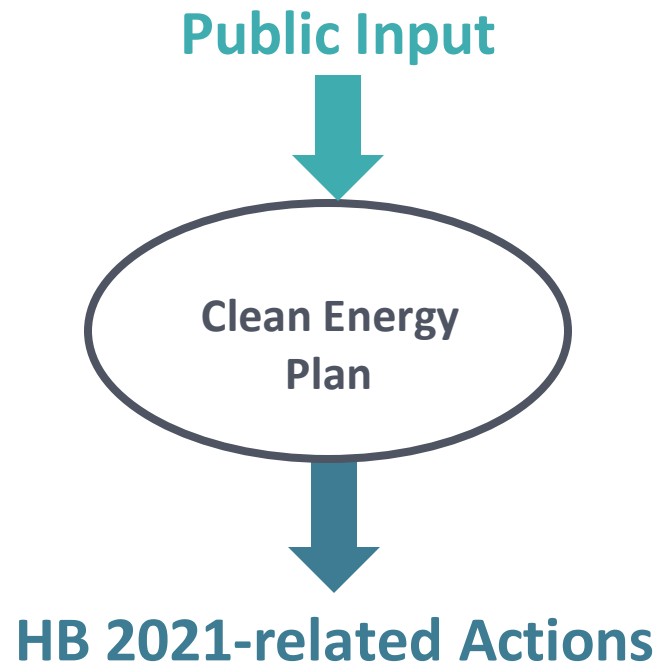
These objectives are still relevant in the context of HB 2021

Where does the current process serve us well? Where does it fall short?

	Strengths	Opportunities for Improvement
Process	<ul style="list-style-type: none"> Formal process is fairly robust Acknowledgement is an important tool for accountability Informal public process ensures some degree of transparency and an opportunity to influence as plans are developed 	<ul style="list-style-type: none"> Not clear that IRP focuses on the right questions, especially in the context of all-source RFPs Participation in the process requires a lot of time, resources, and technical expertise Bringing in new stakeholders has been challenging Formal discovery, while important, does not always create meaningful transparency (data does not always constitute information)
Analysis	<ul style="list-style-type: none"> Consideration of risk is important Models have become quite technically sophisticated to account for increasing complexity on the bulk system 	<ul style="list-style-type: none"> Risk analysis tends to focus on risks that are easy to quantify rather than risks that are potentially most important IRP models typically don't do well answering questions requiring geographical granularity (e.g., transmission, local impacts, IRP ↔ DSP) Very little ground-truthing or reconciliation between model outputs and reality

These were challenges pre-HB 2021 and become even more important with HB 2021

As today's conversation begins to prioritize these types of questions...



Where are the opportunities for public input for the CEP?

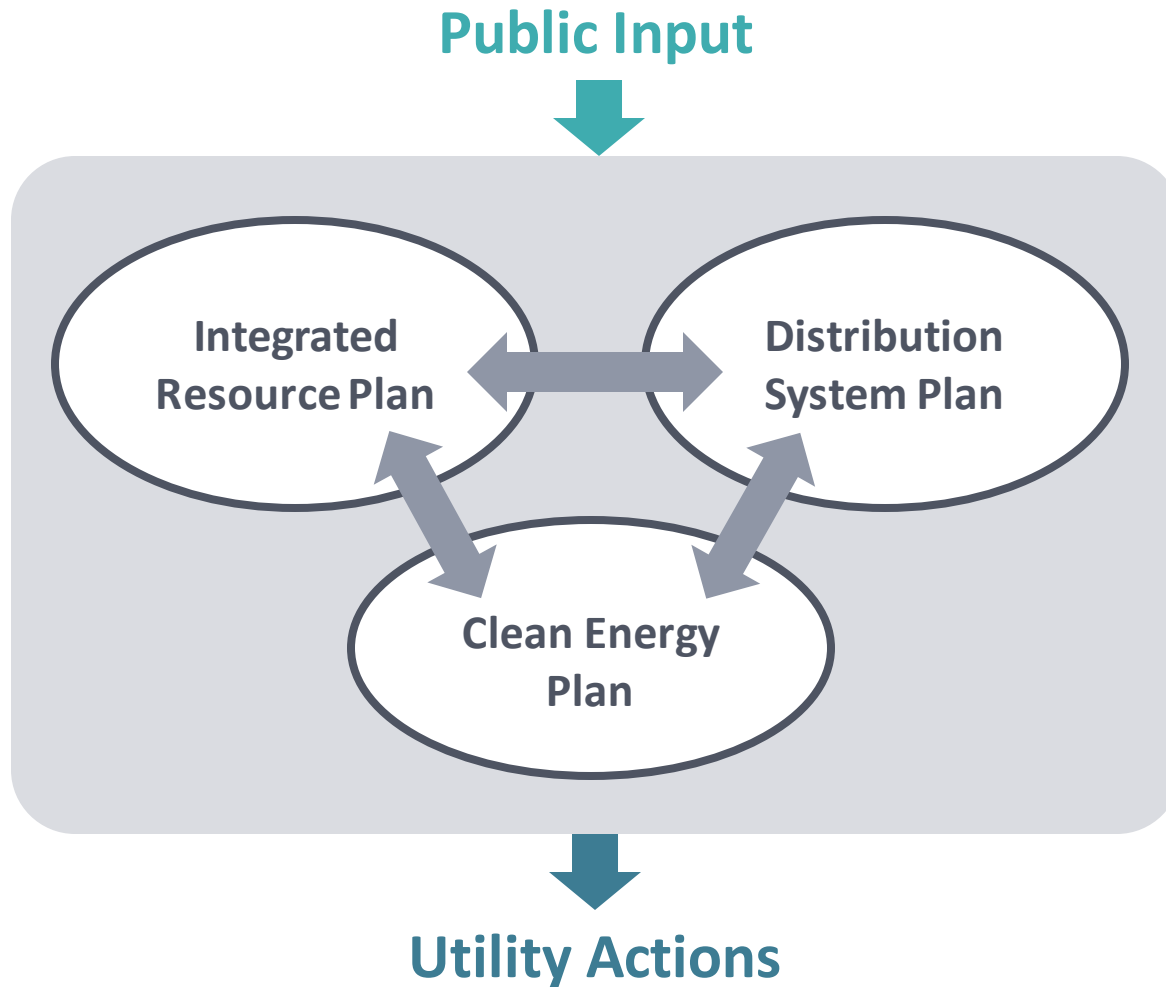
What analysis and information are presented and vetted in the CEP?

How can consistency between the CEP and IRP be ensured?

What types of utility decisions are considered in the CEP?

What does Commission acknowledgement of a CEP signify?

Don't forget about the larger planning picture...



Where are the opportunities for public input?

What analysis and information are presented and vetted in each plan?

How can consistency between plans be ensured?

What types of utility decisions are considered in each plan?

What does Commission acknowledgement of each plan signify?

Scoping Questionnaire

Industry Groups

Environmental Advocates

OR Clean Energy Opportunity Coalition

Utilities

Consumer Advocates



Scoping Themes

Process

#1

Integration

Engagement

Analysis

#2

Community lens

Roadmap

Other analyses



Scoping Themes

- **Integration**

- What is the relationship between CEP and DSP?
- What is relationship between CEP and IRP/format of CEP?
- How will CEPs look for multi-state (PAC)?
- How to ensure consistency?

- **Engagement**

- What are the expectations for engagement pre-filing, post-filing?
- How will the UCBIAG be involved?
- What are the disclosure and transparency requirements?
- How can we keep everyone coordinated with other HB 2021 and OPUC processes?

Did not hear
Streamlining ideas
for bulk planning/
procurement

Scoping Themes

- **Community lens**

- What does risk-based resiliency analysis look like and how is it used?
- What does offsetting fossil fuels with community-based generation look like and how is it used?
- How should analysis value health, economic, environmental, other community benefits/costs of actions?

- **Roadmap**

- What does the action plan look like?
 - Annual actions/procurement targets
 - Continual progress
- Which actions and alternatives will be considered and how?
- Recourse for non-compliant plans?
- Role and process for DEQ verification?

Did not hear

- Specific questions about emissions analysis
- Specific mentions of resource adequacy

Scoping Themes

- **Other analyses**
 - How will analysis consider costs, risks, timing?
 - What does technical and economic feasibility look like?
 - Other state policy requirements?
 - Markets and regional impacts?

Did not hear

- Specific questions about portfolios, futures, models
- High electrification scenarios

Experts and Technical Workshops

Emissions
forecasting and
accounting

Transmission
planning,
timelines,
challenges

Environmental,
health, economic,
and resiliency
benefits

Regional activities,
coordination
(Section 15)

RECs and claims

Procurement
process

Cost-effectiveness
methodologies

State resiliency
planning – in
general



Scoping Research Questions?



Closing Remarks



Break

- Will reconvene at 12:00pm (Pacific)
- Questions/concerns:

Caroline Moore

caroline.f.moore@puc.oregon.gov

503-480-9427

