

April 4, 2022



## UM 2225 Investigation into Clean Energy Plans Work Plan Announcement

This announcement describes Oregon Public Utility Commission (OPUC or Commissions) Staff's strategy for developing near-term planning guidance in advance of the first Clean Energy Plans. The announcement includes a discussion of the work streams, schedule of activities, a straw proposal for the first issue addressed in the work plan, and a questionnaire to capture initial perspectives on the implementation of new community-based planning elements introduced by House Bill (HB) 2021.

### Background

HB 2021 establishes an ambitious emissions-based clean energy framework for electricity providers in Oregon.<sup>1</sup> 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.<sup>2</sup> 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.

OPUC Staff (Staff) circulated an [initial scoping questionnaire](#) on January 11, 2022 and held a [launch workshop](#) on February 9, 2022, to refine and prioritize the issues for Commission guidance and/or shared learning prior to the first Clean Energy Plans. Staff appreciates the depth of scoping feedback. These insights are the foundation of the UM 2225 Work Plan described below.

### Investigation Work Plan

Staff is targeting Commission adoption of near-term planning guidance in September 2022, to align as much as possible with the utility IRP filing timelines.<sup>3</sup> Given the breadth of issues, limited timeframe, and amount of regulatory activity at the OPUC, the scope of issues is distilled and prioritized along three work streams:

1. Clean Energy Plan purpose, format, and process;
2. Community lens issues; and
3. Analytical improvements.

The UM 2225 work plan is intended to balance swift decision-making with the need to inform the new decarbonization planning framework with broad input. Staff has also designed the work plan to distribute

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<sup>1</sup> 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.

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

<sup>3</sup> Clean Energy Plan must be filed with, or no more than 180 days after, the utilities' Integrated Resource Plans. The next Integrated Resource Plans are expected to be filed in March 2023.

activities as evenly as possible over time. Therefore, most work streams begin with Staff or stakeholder straw proposals, followed by a combination of expert presentations, targeted discussion, and/or written comments. These activities culminate with a final Staff proposal, comment opportunity, and a Public Meeting decision.

The work plan begins by quickly addressing the threshold questions identified in the scoping process about how the HB 2021 and Clean Energy Plans will fit into the utility planning framework. When the Commission determines what is and is not being reviewed in a Clean Energy Plan, subsequent work streams will engage in more detailed procedural and analytical discussions, including:

- Expectations for the decarbonization roadmap provided in the Clean Energy Plan (Roadmap and Acknowledgement work stream);
- Requirements for filing and review of Clean Energy Plans (Engagement and Procedural Issues work stream);
- Incorporating the new resiliency and other community-focused planning requirements introduced by HB 2021 (Community Lens work stream); and
- Identifying near-term improvements to existing planning practices that are needed to incorporate decarbonization and other HB 2021 requirements before the first Clean Energy Plans and associated IRPs (Analytical Improvements work stream).

The Commission will be asked to weigh in on key decisions throughout the work plan, but efforts are ultimately leading to three outcomes in Q3 2022:

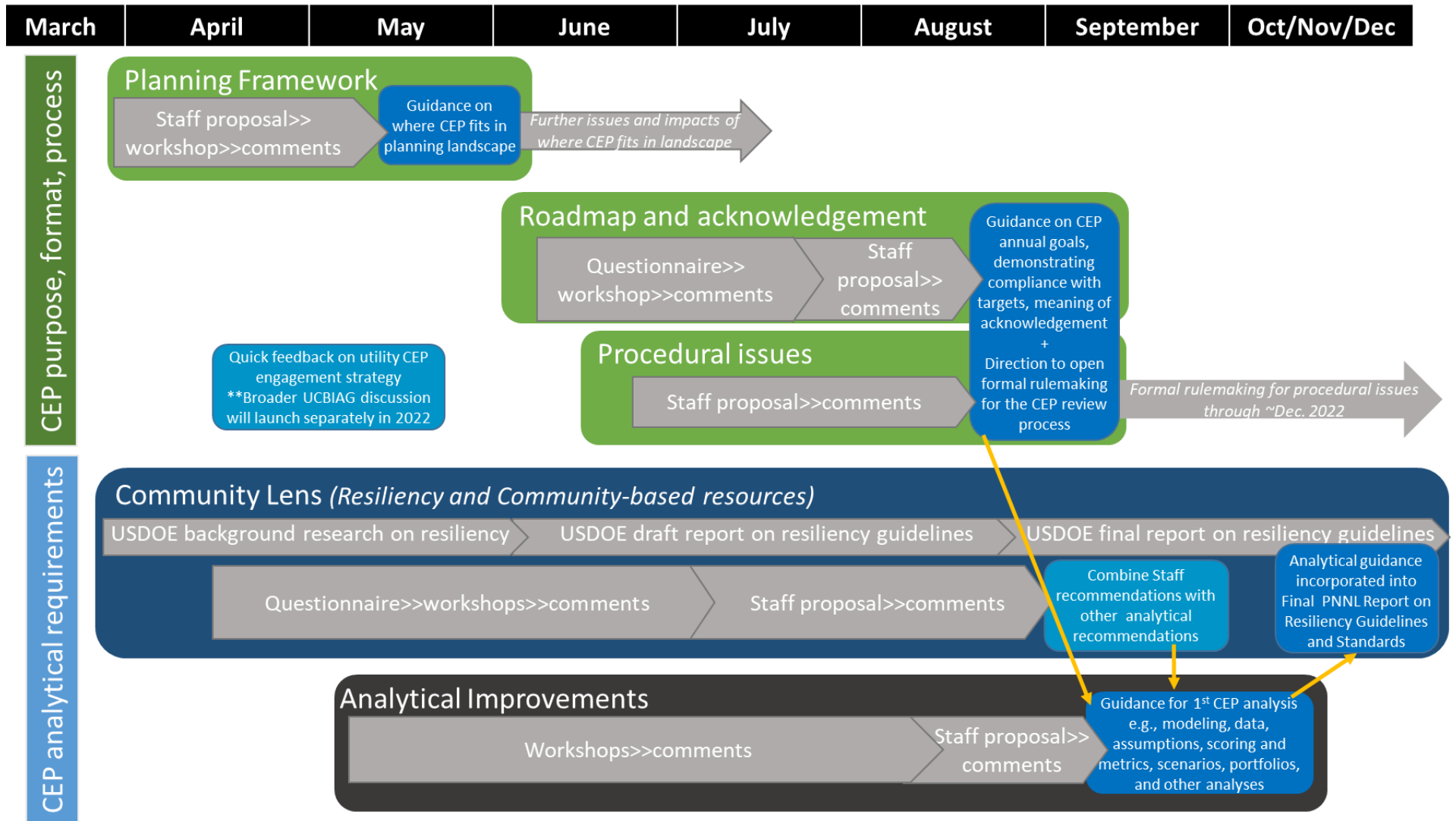
1. Opening a formal rulemaking for basic procedural requirements for filing and review of Clean Energy Plans at the OPUC (target August 2022);
2. Adopting near-term planning guidelines (target September 2022); and
3. Adopting initial OPUC Resiliency Planning Guidelines (target November 2022).

The detailed scope and schedule of activities for each work stream in the work plan are described in greater detail in the remainder of this document. ***Staff has provided specific dates for as many activities as possible and commits to providing the remaining dates in a subsequent schedule announcement by May 2, 2022.***

Given the timeline and breadth of issues, Staff seeks to remain flexible to schedule adjustments along the way. The Commission may also identify issues or activities not yet identified for inclusion in the work plan. Updates to the work plan will be announced to participants on the UM 2225 distribution list.

**To receive schedule updates, meeting notices and agendas, review comments and other materials related to the investigation, please send an email to [puc.hearings@puc.oregon.gov](mailto:puc.hearings@puc.oregon.gov) and ask to be added to the distribution list for Docket No. UM 2225.**

Figure 1. Summary of UM 2225 Work Plan



## Work Plan Details

### Clean Energy Plan Purpose, Format, and Process Work Streams

#### Step 1: Planning Framework

- **Scope:** Answer threshold questions about how the first Clean Energy Plans fit into the planning landscape among Integrated Resource Plans (IRP) and Distribution System Plans (DSP):
  - How will the Clean Energy Plan be reviewed if it is filed separately from the IRP?
    - How will the Clean Energy Plan be meaningful?
  - Will the Clean Energy Plan focus on meeting different needs than the IRP?
  - Where will resource actions be vetted and acknowledged?
  - How will information, including stakeholder input, flow between IRP, DSP, and Clean Energy Plans?
  - What degree of consistency is expected between the IRP, DSP, and Clean Energy Plan for the first filing?
  - How will planning update cycles work in the new planning landscape e.g., IRP Updates?
- **Outcome:** Commission order issued to utilities providing guidance about the threshold issues, for use in developing guidelines and draft rules in subsequent work streams, adopted in a Public Meeting.
- **Schedule:**
  - April 4, 2022: Staff straw proposal establishing the planning landscape is provided in [Attachment A](#).
  - April 20, 2022 (9:30a): Staff workshop to clarify and discuss Staff's straw proposal – final meeting details to be announced; Workshop recording will be made available
  - May 10, 2022: Comments on Staff's straw proposal
  - May 31, 2022: Public Meeting for Commission decision on approach to threshold landscape issues

#### Step 2: Roadmap Acknowledgement

- **Scope:** This work stream focuses on policy expectations for decarbonization actions in Clean Energy Plans, based on the planning framework identified in Step 1. Policy discussion in this work stream will inform and be informed by the analytical requirements discussed in the Community Lens and Analytical Improvements work streams. For example, this work stream may consider what reasonable progress and annual emissions reductions should look like given the need to consider economic and technical feasibility in acknowledging actions, and the Community Lens and Analytical Improvements work stream will focus on the analyses, assumptions, scoring criteria, and other information that is needed to determine the economic and technical feasibility of actions presented. The questions to be addressed in this work stream include:
  - Roadmap:
    - What are the expectations for developing “annual goals... for actions that make progress towards meeting the clean energy targets” [§4(4)(e)]?
      - What is the Clean Energy Plan's planning horizon? What is the horizon of annual goals for actions and reductions?
      - Will there be an “action plan” window and what is the horizon of that?
    - What are the expectations for providing procurement details (based on Step 1)?
    - What are the expectations for multi-state utilities to provide transparency and understanding of the interaction between a Clean Energy Plan, a multi-state cost allocation methodology, and DEQs emissions accounting practices [§4(3)(a), §5(1)]?

- Any other higher-level policy guidance for “actions and investments proposed in the Clean Energy Plan” (Based on Step 1, informed by the format and use of the analyses in the Community Lens work stream and the resource options discussed in Analytical Improvements)
  - Acknowledgement and Compliance:
    - How to demonstrate “continual progress...including a projected reduction of annual greenhouse gas emissions”?
    - How to demonstrate compliance with emissions reduction targets and other goals which are occurring in the out years of the plan (given economic and technical feasibility)?
    - Expectations for identification of environmental, health and other relevant factors and how these factors will be integrated into consideration for acknowledgement?
    - Expectations to demonstrate the roadmap is affordable (while reliable, and clean [§4(3)(c)]?)
    - Remedies for non-compliant plans?
    - What is being acknowledged in the Clean Energy Plan and what does acknowledgement signify based on Step 1?
- **Outcome:** Commission order issued to utilities providing guidance on policy expectations for the roadmap of compliant actions for initial use in developing near-term plans. Adopted at a Public Meeting, to be incorporated in later rulemaking as appropriate. Commission guidance will inform and be combined with analytical requirements. Commission guidance may include implications for other planning processes, such as IRP and DSP.
- **Schedule:**
  - May 2022 (in advance of Step 1 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 2022: Responses to questionnaire due and published to UM 2225
  - June 2022: Workshop to present and discuss proposals
  - July 2022: Staff releases proposal for Commission guidance
  - July 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 initial Clean Energy Plans (may include implications for other planning processes)

### Step 3: Engagement and Other Procedural Issues

- **Scope:** This work stream is focused on setting procedural requirements for the Clean Energy Plans and includes two major efforts:
  - Direct utility engagement: Staff understands that the utilities will be developing the Clean Energy Plans during most of 2022 and does not believe that there is enough time to properly stand up the Utility Community Benefits and Impacts Advisory Groups (UCBIAGs) (See HB 2021 §6) in time for this round of utility Clean Energy Plan development. Staff also understands that the utilities have been working to improve their engagement strategies for their existing planning processes. Therefore, Staff has proposed a streamlined process to provide informal feedback on ways that the utilities plan to seek input during the Clean Energy Plan development process. Staff requests that PacifiCorp and Portland General Electric file planning engagement strategies in UM 2225 for informal feedback from Staff and stakeholders. Staff encourages the utilities to align with the spirit of the UCBIAG as much as possible, leverage [previous learnings](#) that

communities have already put resources into offering, and seek to coordinate engagement with other requests for customer and communities' time and input. While Staff envisions an informal feedback process for these engagement strategies, Staff can raise issues for Commission guidance during the May 31, 2022 Public Meeting if needed.

- OPUC process: Beginning in July 2022, Staff will engage in a streamlined process to establish basic procedural requirements for filing and review of the Clean Energy Plans at the OPUC. This process will include consideration for the role of the Oregon Department of Environmental Quality (DEQ) in reviewing Clean Energy Plans and verifying the emissions reductions included. Staff envisions these requirements will be similar to the basic requirements for IRP filings in [OAR 860-027-0400](#) and may leverage additional DSP guidelines, such as requirements to describe community engagement plans and practices. Staff proposes to circulate a brief overview of IRP and DSP procedural requirements with a straw proposal for adapting as needed to create procedural rules for Clean Energy Plan filings. Staff believes this will be a relatively light lift compared to other work streams but will be informed by important policy decisions within Step 1 and Step 2 and broader dialogue surrounding engagement.
- **Outcome:** Public Meeting decision to open a formal rulemaking to adopt basic procedural requirements for filing and review of Clean Energy Plans.
  - Staff also expects to improve near-term utility engagement processes.
- **Schedule:**
  - Direct utility engagement:
    - April 21, 2022: Utilities file engagement strategies in UM 2225
    - By May 18, 2022: Utilities work to collect feedback on their engagement strategies through joint or individual utility-led process that includes Staff and file updated engagement strategies as needed
    - May 31, 2022: Staff will raise any lingering issues that require Commission guidance along with Step 1 recommendations at the Public Meeting
  - OPUC process:
    - June 2022: Staff circulates an overview of current Commission review process for IRP and DSP and a proposal for draft administrative rules for the filing and review of Clean Energy Plans at the OPUC
    - July 2022: Opportunity to submit written comments in response to Staff's proposed rules
    - August 9, 2022: Public Meeting for Commission to open formal rulemaking for the filing and review of Clean Energy Plans at the OPUC

### Community Lens Issues Work Stream Overview

- **Scope:** This work stream is focused on implementing the new planning elements introduced in HB 2021. The near-term scope includes risk-based resiliency analysis [§4(4)(c)], offsetting fossil fuels with community-based renewable energy analysis [§4(4)(d)], and the overall need to start incorporating non-energy benefits into utility planning [§5(2)(a), (f), and overall HB 2021 emphasis on driving community benefits in decarbonization activities]. The analytical requirements identified in this workstream will inform the Analytical Improvements work stream and the policy expectations for where actions are being proposed and how those actions should be developed in the Roadmap Acknowledgement work stream. The work stream will focus on the following:
  - Risk-based resiliency analysis, based on Commission adopted standards:
    - Define resiliency for use in the Clean Energy Plan analysis and Commission resiliency planning standards



- Determine the format and use of this analysis in first CEP
  - Begin developing shared understanding of the resiliency value of different actions
  - Establish Commission resiliency planning standards, which may be Clean Energy Plan specific, but could also include elements that apply to resilience planning more broadly.
    - Staff has been awarded a technical assistance grant from the US Department of Energy (USDOE) to support the development of recommendations for these standards and guidelines.
- Offsetting fossil fuel generation with community-based renewable energy generation analysis:
  - Establish consistent working definitions for community-based renewable energy generation
  - Determine the format and use of examination of offsetting fossil fuel generation with community-based renewable energy in the Clean Energy Plan
  - Begin developing shared learning about benefits, costs, and risks (value) associated with community-based renewables and demand-side resources
- Incorporating community benefits into planning:
  - Determine format and use of public interest considerations in planning/acknowledgement [§5(2)(a), 5(2)(f), and HB 2021 in general]
  - Identify any community-based considerations for incorporating Small Scale Renewable Energy Project carve-out into Clean Energy Plans [§37]
- **Outcome:** Commission order issued to utilities setting initial expectations for Resiliency Planning Guidelines at a Public Meeting.
  - Staff will also focus on identification of analytical requirements for incorporation into near-term planning guidance under the Analytical Improvements work stream.
- **Schedule:**
  - April 4, 2022: Staff releases questionnaire to understand perspectives and initial proposals for resiliency analysis, offsetting fossil fuels with community renewables analysis, and incorporating community benefits into planning ([See Attachment B](#))
  - April 26, 2022: Responses to questionnaire due and posted to UM 2225
  - May 2022: Workshop to learn about incorporating community benefits into planning and methods that could be used to implement the two new analyses
  - *June 2022: USDOE Presentation of background research on resiliency industry standards and other resiliency planning considerations*
  - July 2022: Staff releases straw proposal for analytical guidance for first plans
  - *August 2022: USDOE draft report on resiliency planning standards released*
  - August 2022: Written comments on Staff's straw proposal and for analytical guidance USDOE report (option to add workshop if needed)
  - September 2022: Staff incorporates final community lens recommendations into near-term planning guidance developed in Analytical Improvements work stream for Commission decision at a Public Meeting
  - *November 29, 2022: Public Meeting to set expectations for resiliency planning guidelines*

### Analytical Improvements Work Stream Overview

- **Scope:** The focus of this work stream is to adapt current planning practices to meet the requirements of HB 2021 for the first Clean Energy Plan and associated IRP. This includes HB 2021 requirements for Clean Energy Plans and any additional guidance needed to meaningfully transition to decarbonization planning. The goal is to answer questions, that start with “how will

the first plans analyze...” and “how will the analysis provide the information needed to evaluate...?” The objective of this work stream is to create opportunities for shared learning and establish initial analytical guidance for modeling requirements, scoring criteria and other metrics, futures and scenarios, portfolios, data transparency and standardization, and other analyses or supplemental information. Tentative workshop topics will include:

- Decarbonization planning: Decarbonization modeling basics, emissions accounting (including DEQ), fossil resource approaches
- Resource options and actions: Technologies, data sources, voluntary actions, demand-side actions, and long lead time resources like transmission and long duration storage
- State and regional planning considerations: Resource adequacy, regional markets and market depth, transmission constraints and plans, availability of tax incentives, and other policies and PUC activities including RPS, the HB 2021 §37 small-scale renewable energy project carve out, Qualifying Facilities, community solar projects, green tariffs and other customer supported resources that may develop under HB 2021 §22
- Analytical requirements: Opportunity to pull together previous discussions and additional considerations related to modeling, measuring risks and benefits, scoring metrics, futures, portfolios, demonstrating feasibility, data standardization and transparency, and etc. Staff anticipates these recommendations will be informed by findings in the other work streams
- **Outcome**: Commission order issued to utilities with near-term planning guidance at a public meeting. Staff finds it unlikely that a revision of the current IRP Guidelines is possible within the timeline; however, it is possible that the Staff proposal will include waivers to existing IRP Guidelines and/or administrative rules for IRP, with a more comprehensive review of necessary changes at a later date.<sup>4</sup>
- **Schedule**:
  - May – July 2022: 1-2 workshops per month. Staff may circulate initial straw proposals following workshop discussion.
  - August 2022: Staff proposal and written comment opportunity for near-term planning guidance.
  - September 29, 2022: Public Meeting to adopt near-term guidance.

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<sup>4</sup> See [Oregon Administrative Rules \(OAR\) Chapter 860, Division, Section 0400](#).



Table 1. Summary of UM 2225 Work Plan Activities

Work stream	April 4 <sup>th</sup>	April	May	June	July	August	September
<b>Planning Framework</b>	Staff publishes planning landscape straw proposal	Workshop Comments	Public Meeting recommendation	→ Additional issues may be identified			
<b>Roadmap</b>			Questionnaire to understand how parties envision the roadmap for the first plans	Responses to questionnaire Workshop	Staff proposal on roadmap policy direction Comments	Public Meeting recommendation policy expectations to inform near-term planning guidance	
<b>Engagement and Procedural Requirements</b>		Utilities submit planning engagement strategies	Utilities collect feedback and update strategies ↑ Include issues in Planning Framework Public Meeting if needed	Staff proposal on Clean Energy Plan procedural requirements	Comments	Public Meeting recommendation to open formal rulemaking on procedural requirements	
<b>Community Lens</b>	Questionnaire to understand how parties envision implementation	Staff publishes workshop schedule Responses to questionnaire	Workshop on community benefits and analyses	Workshop where USDOE presents background research and other resiliency considerations	Staff proposal for analytical requirements ↑ Informs proposal for roadmap ↓ Informs near-term planning guidance	USDOE draft report Comments	↓ Staff recommendations incorporated into near-term planning guidance → Public Meeting recommendation for USDOE final report November
<b>Analytical Improvements</b>		Staff publishes workshop schedule	Workshop #1 Decarbonization planning	Workshop #2 Resource options and actions	Workshop #3 State and regional planning Workshop #4 Analytical requirements	Staff proposal Comments	Public Meeting recommendation for near-term planning guidance

## Summary of next steps

Attached to this announcement are a straw proposal for the planning framework and a questionnaire to understand how different parties envision implementation of key community-based analyses required by HB 2021. Staff will provide a full work plan schedule with dates for each activity by April 29, 2022. To summarize, the upcoming activities in the work plan include:

### Planning Framework

- April 20, 2022 (9:30a): Staff workshop to clarify and discuss Staff's straw proposal on the Planning Framework ([See Attachment A](#)) – final meeting details to be announced; Workshop recording will be made available
- May 10, 2022: Comments on Staff's straw proposal
- May 31, 2022: Public Meeting for Commission decisions and guidance on the threshold landscape issues

### Engagement and Other Procedural Issues

- April 21, 2022: Utilities file engagement strategies in UM 2225
- By May 18, 2022: Utilities work to collect feedback on their engagement strategies through utility-led processes that include Staff and file updated engagement strategies as needed
- May 31, 2022: Staff will raise any lingering issues that require Commission guidance along with Step 1 recommendations at the Public Meeting

### Community Lens

- April 26, 2022: Responses to questionnaire due ([See Attachment B](#))

## Conclusion

Staff intends to remain flexible to the needs of participants in implementing its UM 2225 work plan. In the interest for forward momentum, Staff is not taking comment on its work plan, but welcomes questions and is happy to walk through the plan with anyone interested.

**If you have questions about the work plan, straw proposal, or questionnaire, please contact:**

Caroline Moore at [caroline.f.moore@puc.oregon.gov](mailto:caroline.f.moore@puc.oregon.gov) or 503-480-9427.

## Attachment A – Planning Framework Straw Proposal

Below are Staff's proposed answers to the threshold questions about how the first Clean Energy Plans (CEP) fit into the planning landscape among Integrated Resource Plans (IRP) and Distribution System Plans (DSP), and etc. Staff's initial proposal seeks to answer the following questions:

- How will the Clean Energy Plan be reviewed if it is filed separately from the IRP?
  - How will the Clean Energy Plan be meaningful?
- Will the Clean Energy Plan focus on meeting different needs than the IRP?
- Where will resource actions be vetted and acknowledged?
- What degree of consistency is expected between the IRP, DSP, and Clean Energy Plan for the first filing?
- How will information, including stakeholder input, flow between IRP, DSP, and Clean Energy Plans?
- How will planning update cycles work in the new planning landscape e.g., IRP Updates?

Staff looks forward to discussing further at the April 20, 2022 workshop (details TBA) and to receive additional feedback through written comments submitted by May 10, 2022.

Please submit written comments to the [OPUC Filing Center](#) at [puc.filingcenter@puc.oregon.gov](mailto:puc.filingcenter@puc.oregon.gov).

*Please limit responses to 5 pages total per individual or organization.*

### **Please contact OPUC Staff with questions:**

Caroline Moore at [caroline.f.moore@puc.oregon.gov](mailto:caroline.f.moore@puc.oregon.gov) or 503-480-9427.

## Planning Framework Proposal

Staff recognizes that the role of the CEP within the planning framework requires near-term guidance as utilities continue work on their IRPs and DSPs in advance of the first CEP filings. Staff also recognizes that some of the requirements of HB 2021 overlap with existing planning practices. This straw proposal attempts to leverage existing practices where possible and to provide clear paths for developing a CEP concurrently with an IRP in a manner that satisfies the requirements of HB 2021.

To answer the Planning Framework questions above, Staff has articulated two pathways through which the CEP should be developed and reviewed. Staff proposes that either pathway is reasonable for meaningful for compliance and review of the first Clean Energy Plans—Staff does not propose that the Commission decide that only one pathway should be use for the first CEP.

- **Path 1:** The CEP it is provided alongside an IRP that is consistent with HB 2021 and the Clean Energy Plan requirements. Under this path the CEP may present information differently, but is not really meeting a different need or proposing actions for acknowledgement separately from the IRP, and
- **Path 2:** The CEP is provided separately from the IRP because the IRP is not sufficiently consistent with HB 2021 and the Clean Energy Plan requirements. Under this path, the CEP is not meeting different needs, as much as, meeting all of the resource planning needs and becomes the utility's primary Oregon resource planning vehicle. The IRP is no longer where resource actions are acknowledged because it does not account for the needs filled by other HB 2021 and Clean Energy Plan-driven actions

While Staff seeks to answer as much as possible about the flow of information between CEP, IRP, DSP, the Staff finds that the DSP may not be far enough along to answer these questions at this time. Staff is interested in unpacking these relationships further in UM 2225 and/or elsewhere.

The pathways are described further below, including high level thoughts on the flow of information between plans and the role of planning update cycles.

## Path 1

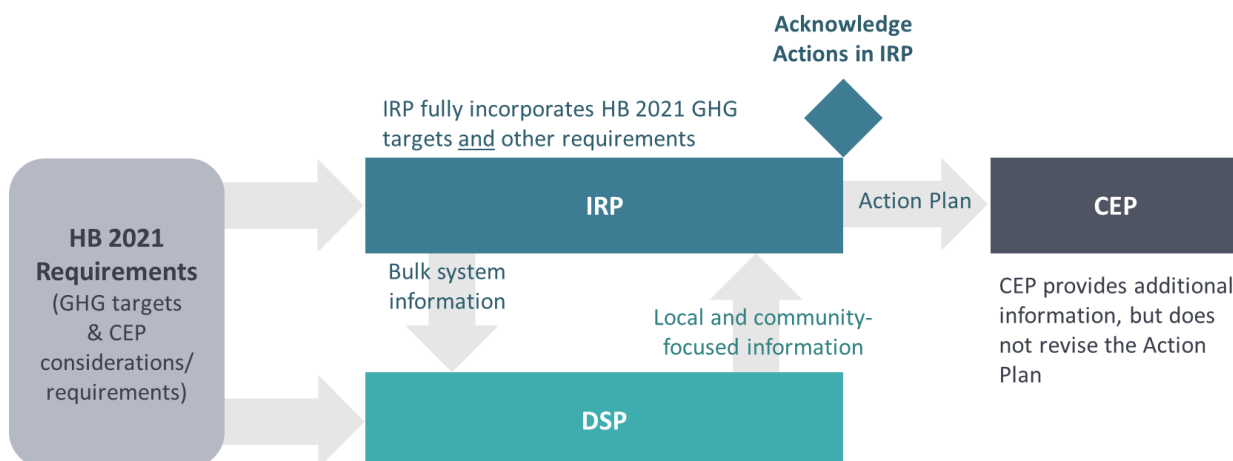
In this preferred path, the utility incorporates the planning considerations outlined in HB 2021 directly into the IRP so that the IRP Action Plan is consistent with HB 2021 in the following ways:

- The IRP meets the GHG targets, while demonstrating continual progress; and
- The IRP takes all of the following into consideration:
  - System reliability
  - Costs and risks to customers
  - Technical and economic feasibility
  - Environmental and health impacts of GHG reductions
  - Community impacts and benefits
  - Opportunities for community-based renewables
  - Opportunities for grid and/or community resiliency

### Role of CEP

If a utility takes this path, then actions can be acknowledged within the IRP process and actions would not be acknowledged with the CEP process. In this path, the CEP is a filing accompanying the IRP that describes where in the IRP the planning considerations for HB 2021 are each addressed and provides the following additional information, if not already included in the IRP:

- Annual goals for EE, DR, and non-emitting generation/storage
- Annual goals for fossil retirement and operational changes
- Annual goals for GHG reductions



### Role of DSP

In this path, the role of the DSP will depend on how the utility intends to incorporate the planning considerations listed above. For example, the utility may leverage the DSP process to seek input regarding community needs and values and to explore opportunities for community-based renewables or resiliency projects. In this path, the utility could use information from DSP to account for these

considerations within the bulk system planning analysis in the IRP. In addition, because the DSP does not currently include a process for acknowledging actions, the utility could request that actions related to community-based renewables or grid and/or community resiliency be acknowledged within the IRP as part of their plan for complying with HB 2021. The goal of incorporating these items into the IRP would be to ensure internal consistency between bulk system actions and actions that achieve other objectives of HB 2021 and meet some of the utility needs being planned for.

### Filing timing

The CEP does not need to be filed as a part of the IRP for this to work, however that will increase the ease of review and help stakeholders with limited resources to dedicate to OPUC processes.

### Additional timing considerations for first CEP

While many of the planning considerations in HB 2021 overlap or dovetail with existing planning practices, Staff recognizes that two items in particular may be challenging to fully address within the IRP and/or DSP prior to the first CEP filing: opportunities for community-based renewables; and opportunities for grid and/or community resiliency. To ensure that these items are addressed within the first CEP, Staff is open to the utility filing the first CEP later than the IRP (within 180 days) so that the CEP can propose additional/modified actions related to community and resiliency analysis. Staff can commit to being flexible in its IRP review if this occurs, but may request to extend the IRP schedule if the CEP materially impacts the action plan.

Staff wants these two new analyses to be substantive and wants to provide enough time for that. However, Staff does not want to encourage utilities to rush the community and resiliency analyses to avoid delays in acknowledgement of the other IRP actions. We look forward to further exploration of this issue.

## Path 2

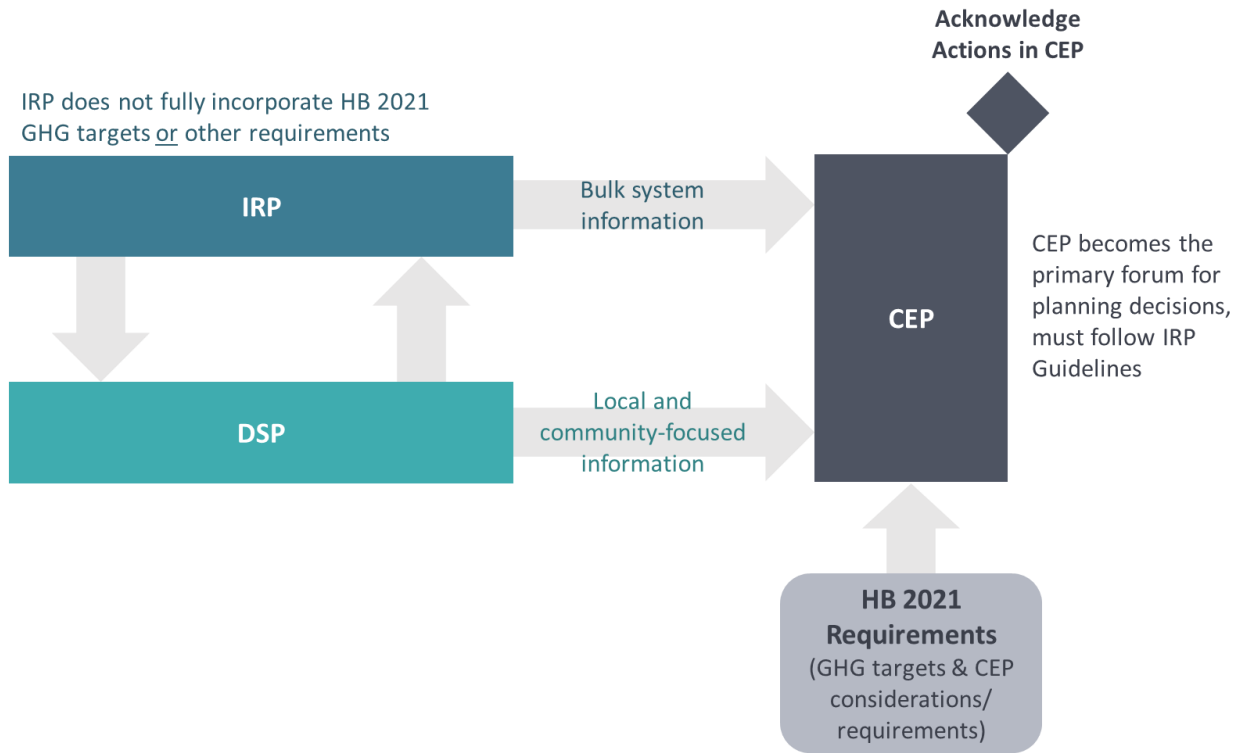
In this path, which is less preferred, the utility does not meet the requirements of HB 2021 within the IRP. This may be due to timing constraints or the complexities of multi-state analysis and planning. A utility may take this path if:

- The IRP does not meet the GHG targets or demonstrate continual progress; or
- The IRP does not take one or more of the following into consideration:
  - System reliability
  - Costs and risks to customers
  - Technical and economic feasibility
  - Environmental and health impacts of GHG reductions
  - Community impacts and benefits
  - Opportunities for community-based renewables
  - Opportunities for grid and/or community resiliency

### Role of CEP

If the utility takes this path, then the Commission may determine that the utility has not met IRP Guideline 1.d and may choose not to acknowledge the utility's IRP Action Plan. In this case, the utility may instead seek acknowledgement of actions to comply with HB 2021 within the CEP and the CEP becomes the primary planning forum for the utility in the State of Oregon. As such, the CEP would be expected to incorporate all of the requirements of HB 2021 and considerations listed above and meet the IRP Guidelines. In this path, the utility may point to the IRP for bulk system information, for example resource

needs assessment and market forecasts, and the Commission may choose to acknowledge this or other information within the IRP for use in the CEP.



### Role of DSP

In this path, the role of the DSP will depend on how the utility intends to incorporate the planning considerations listed above into the CEP. For example, the utility may leverage the DSP process to seek input regarding community needs and values and to explore opportunities for community-based renewables or resiliency projects. In this path, the utility could use information from DSP to account for these considerations within the CEP and could also request acknowledgement of related actions within the CEP.

### Filing timing

The CEP is required to be filed within 180 days of the IRP. It is possible that this may not align perfectly with the current IRP review timelines at the Commission, which are also 180 days but are occasionally extended for a range of reasons.

### Future evolutions

The relationships between the IRP, DSP, and CEP in this straw proposal are based on the current IRP and DSP Guidelines. To the extent that there are changes to these guidelines in the future, these relationships may be re-examined. In particular, if the DSP process incorporates an acknowledgement decision in the future, it may be appropriate to re-examine where some actions related to HB 2021 compliance are acknowledged, and what that might mean for the CEP and IRP.



## Attachment B – Community Lens Questionnaire

OPUC Staff is seeking to understand initial positions on resiliency and Community-based Renewable Energy projects analysis. Staff looks forward to understanding how those involved in the crafting of HB 2021, those with high familiarity, and those with fresh perspectives envision the implementation of these new, important planning requirements.

Participants are invited to answer some or all of the questions below by **April 26, 2022**. P

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

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

### **Please contact OPUC Staff with questions:**

Caroline Moore at [caroline.f.moore@puc.oregon.gov](mailto:caroline.f.moore@puc.oregon.gov) or 503-480-9427.

## How do you envision the Risk-based resiliency analysis, based on Commission adopted standards?

**Question 1:** HB 2021 §4(4)(c) requires the Clean Energy Plan to “include a risk-based examination of resiliency opportunities that includes costs, consequences, outcomes and benefits based on reasonable and prudent industry resiliency standards and guidelines established by the Public Utility Commission[.]”

### **How will a Clean Energy Plan demonstrate having met this requirement?**

*Prompts to help answer the question—not a request for an answer to each question*

- a) How should **resiliency opportunities** be defined?
  - How should the PUC define resiliency for the purposes of this analysis?
  - Which risks should be considered?
  - Should opportunities be limited to resource actions (given the focus of Clean Energy Plans) or include system hardening (e.g., undergrounding power lines)?
  - Are resiliency opportunities utility actions?
- b) What is the format and use of the analysis; what is meant by **risk-based examination**?
  - For example...
    - Will this information be used to identify procurement-related actions for acknowledgement, e.g., RFPs, targets for programmatic budgets and activities?
    - Will this information be used to right-size the utility procurement and programmatic activities identified in the utility resource plans?
    - Will this information be used to support policy discussions about the resiliency value of different resources and configurations?
    - Will the information be used to identify areas of heightened threats within the utility system and/or service area to inform programs and policies?
    - Is the analysis intended as a potential study that estimates the level of investment in specific resilient resource types that the Company could pursue based on established cost-benefit parameters?
    - Will resiliency opportunities be incorporated directly into portfolio modeling or resiliency value be included in portfolio scoring criteria?
    - Is the analysis a supplemental study for informational purposes only?

- c) How are costs to be included?
  - Which costs? Costs to whom?
- d) How are **consequences, outcomes and benefits** defined?
- e) This information should be presented in the Clean Energy Plan, but where is the analysis performed and incorporated into the utility resource strategy i.e., IRP, DSP, CEP?
  - This may be dependent on answering the threshold planning framework questions.

## How do you envision offsetting fossil fuel generation with community-based renewable energy (CBRE) generation analysis?

**Question 2:** HB 2021 §4(4)(d) requires the Clean Energy Plan to, “Examine the costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy[.]” **How will a Clean Energy Plan demonstrate having met this requirement?**

*Prompts to help answer the question—not a request for an answer to each question.*

- a) How should **opportunities** be defined?
  - Which actions are considered CBRE ‘opportunities’? Can CBRE ‘opportunities’ include combined acquisition of energy efficiency and demand response (HB 2021§1(2))? Do CBREs include planned and hypothetical projects?
  - Does ‘opportunities’ include all the benefits associated with community-based renewable energy? If so, which benefits and to whom?
  - Are CBREs utility actions?
- b) What is the format and use of the analysis; what is meant by **examine**?
  - For example...
    - Will this information be used to identify procurement-related actions for acknowledgement, e.g., RFPs, targets for programmatic budgets and activities?
    - Will this information be used to right-size the utility procurement and programmatic activities identified the utility resource plans?
    - Will this information only be used to support policy discussions about the decarbonization value of CBREs?
    - Is the analysis intended as a potential study that estimates the amount of CBREs that the Company could pursue based on established cost-benefit parameters (would need to include a fossil offset value)?
    - Are CBREs incorporated directly into portfolio modeling to compare the costs, risks, fossil fuel dispatch reduction level, and other benefits of portfolios with CBREs to portfolios that do not and identify the optimal CBRE level in a preferred portfolio?
    - Is the analysis a supplemental study for informational purposes only?
    - *These examples are illustrative only—please do not limit responses to these examples.*
- c) How are costs to be included?
  - Which costs? Interconnection? Deliverability?
  - Costs to whom?
- d) This information should be presented in the Clean Energy Plan, but where is the analysis performed and incorporated into the utility resource strategy i.e., IRP, DSP, CEP?

- a. This may be dependent on answering the threshold planning framework questions.

## How do you envision incorporating community benefits into planning?

**Question 3:** HB 2021 §5(2)(a) requires the Commission to consider in acknowledgement, “(a) Any reduction of greenhouse gas emissions that is expected through the plan, and **any related environmental or health benefits**...(e) Costs and risks to the customers; and (f) Any other relevant factors as determined by the commission.” ***How will a Clean Energy Plan reflect these considerations through incorporation of community benefits into plan?***

*Prompts to help answer the question—not a request for an answer to each question.*

- a) Which community benefits should be considered in utility planning?
  - o How might these benefits be used in planning analysis and reflected in the CEP?
- b) What are the community benefits of resilience?
  - o How might these community benefits be used in the CEP analysis?
- c) Which “related environmental or health benefits” should be considered?
  - o How will these benefits be measured?
  - o How should the commission include consideration of these benefits when evaluating CEPs for acknowledgement?
- d) What other relevant factors should the commission include when evaluating whether a plan is in the public interest?

## Resources to support consideration of community benefits questions

*Quantifying the Multiple Benefits of Energy Efficiency and Renewable Energy: A Guide for State and Local Governments*

U.S. Environmental Protection Agency, 2018

[https://www.epa.gov/sites/default/files/2018-07/documents/epa\\_slb\\_multiple\\_benefits\\_508.pdf](https://www.epa.gov/sites/default/files/2018-07/documents/epa_slb_multiple_benefits_508.pdf)

*Estimating the Health Benefits per kWh of Energy Efficiency and Renewable Energy*

U.S. Environmental Protection Agency, 2019

<https://www.epa.gov/statelocalenergy/estimating-health-benefits-kilowatt-hour-energy-efficiency-and-renewable-energy>

<https://www.epa.gov/statelocalenergy/public-health-benefits-kwh-energy-efficiency-and-renewable-energy-united-states>

*Applying Non-Energy Impacts from Other Jurisdictions in Cost-Benefit Analyses of Energy Efficiency Programs: Resources for States for Utility Customer-Funded Programs*

LBNL, 2020

<https://emp.lbl.gov/publications/applying-non-energy-impacts-other>

*The National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources*

National Energy Screening Project, 2020

<https://www.nationalenergyscreeningproject.org/national-standard-practice-manual/>

*Making Regulations Fair:*

*How Cost-Benefit Analysis Can Promote Equity and Advance Environmental Justice*

By Jack Lienke, Iliana Paul, Max Sarinsky, Burçin Ünel, and Ana Varela Varela / August 31, 2021

NYU Institute of Policy Integrity

<https://policyintegrity.org/publications/detail/making-regulations-fair>

*Making Health Count: Monetizing the Health Benefits of In-Home Services Delivered by Energy Efficiency Programs*

ACEEE, 2020

<https://www.aceee.org/research-report/h2001>

*Solar Cost-Benefit Studies*

Solar Energy Industry Association (SEIA), accessed March 2022

<https://www.seia.org/initiatives/solar-cost-benefit-studies>