

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

LC 56

In the Matter of)
)
PORTLAND GENERAL ELECTRIC)
COMPANY)
)
2013 Integrated Resource Plan)
_____)

**FINAL COMMENTS OF THE
CITIZENS' UTILITY BOARD OF OREGON**

July 25, 2014



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OF OREGON**

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PORTLAND GENERAL ELECTRIC COMPANY)	FINAL COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON
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1 **I. Introduction**

2 CUB herewith submits its Final Comments in response to PGE’s (the Company’s) Reply
3 Comments filed on July 3, 2014.

4 CUB still holds to its position that the majority of the Action Items in the Action Plan
5 should be acknowledged with the exception of the section related to energy efficiency (EE).

6 While CUB recognizes that the Company is now making an effort to work with stakeholders on
7 the industrial EE issue, CUB still believes that the Company could do more. In addition, CUB
8 also offers comments with regard to PGE’s plans for the 111(d) proposed rule implementation.

9 **II. Energy Efficiency Challenges**

10 CUB is pleased with the Company’s recognition of the challenges facing full acquisition
11 of industrial EE this year and in the future. The Company states:

12 “With respect to the funding cap on industrial customers, CUB is correct;
13 the ETO’s forecast presumes that the funding limitation on industrial energy
14 efficiency measures is removed or similarly resolved to allow unfettered ongoing
15 large customer EE funding. Should the funding limitation not be resolved, the
16 ETO has estimated that 1.5-2 MWa of incremental industrial EE measures will be

1 missed annually. The ETO is likely to reach its funding limit for PGE’s industrial
2 customers this year.”¹
3

4 CUB is pleased that the Company recognizes that caps on industrial EE funding could
5 mean more expensive resource acquisition to meet load growth in the future.² In its testimony in
6 UE 283, the Company “offers a willingness to engage with the parties to work on a solution,
7 legislative or otherwise,”³ but the Company offers no solution and no legislative concepts.

8 CUB has been the primary catalyst in sparking the discussion about the inability of PGE
9 to acquire the EE that it is planning in its IRP. The Company is not proposing a solution beyond
10 engaging parties. PGE needs to identify a plan to meet its IRP EE goals, and the Commission
11 should not acknowledge the EE portion of the Action Plan until PGE develops a plan to meet its
12 IRP targets. PGE has known about this problem since 2012.⁴ The Company should be pro-active
13 in finding a resolution to these problems, but it has failed to make any proposals regarding this
14 issue. For these reasons, CUB does not believe that agreeing to talk about seeking a solution, as
15 opposed to proposing and adopting a likely solution, warrants acknowledgment of an Action
16 Item.

17 **III. 111(d) Revisited**

18 CUB agrees with the Company that there is a considerable amount of uncertainty
19 regarding the implementation of the 111(d) proposed rule. However, CUB does believe that
20 some form of the rule will ultimately come to pass and that the Company, by getting involved in
21 the process now, can help flesh out the details of the implantation of 111(d). CUB believes this
22 participation could come in the form of workshops with stakeholders. Other utilities, such as

¹ See PGE’s 2013 Reply Comments, pg. 20.

² See PGE’s 2013 Reply Comments, pg. 20.

³ UE 283 PGE / 1600, Tinker – Liddle / 27

⁴ UE 283 / CUB / 106, Jenks – McGovern / 1

1 PacifiCorp, are holding workshops with stakeholders and are dedicating time in their IRP
2 stakeholder meetings to hold discussions about how 111(d) may impact resource planning. The
3 workshops are providing a very useful platform for stakeholder input and company
4 understanding of stakeholder expectations. CUB recommends similar discussion meetings for
5 PGE. CUB notes that in docket LC 57, the PacifiCorp 2013 IRP, the Commission ordered the
6 following:

7 *Prior to the end of 2014, PacifiCorp will work with participants to explore*
8 *options for how PacifiCorp plans to model and perform analysis in the 2015 IRP*
9 *related to what is known about the requirements of §111(d) of the Clean Air Act.⁵*
10

11 This shows that the Commission also expects utilities to include expectations of impacts from the
12 111(d) proposed rule in their resource planning moving forward. While CUB recognizes that the
13 Company has already committed to an early retirement of Boardman in 2020, the Company will
14 likely have to make additional changes to comply with the impacts of the final 111(d) regulation.
15 In addition, because the EPA sees EE as the best tool to comply with 111(d), the constraints that
16 prevent PGE from meeting its IRP targets are also barriers to its compliance with 111(d). Such
17 impacts will require the modeling of energy efficiency and natural gas prices. CUB is extremely
18 interested in a 111(d) IRP workshop hosted by PGE similar to those being hosted by PacifiCorp.

19

20 **IV. Conclusion**

21 Though CUB agrees that most of the IRP Action Plan should be acknowledged, CUB
22 does not recommend acknowledgement of any of the EE portion. CUB also recommends that a
23 workshop(s) be held between the Company and stakeholders on the 111(d) EPA draft rule

⁵ *In re PacifiCorp*, OPUC Docket LC 57, Order No. 14-252 at 13 (July 8, 2014).

- 1 potential impacts. An understanding of the potential impacts of this rule will be important for
- 2 future integrated resource planning.

Respectfully Submitted,
July 25, 2014



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LC 56 – CERTIFICATE OF SERVICE

I hereby certify that, on this 25th day of July, 2014, I served the foregoing **FINAL COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON** in docket LC 56 upon each party listed in the LC 56 PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending one original and five copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

(W denotes waiver of paper service)

(C denotes service of Confidential material authorized)

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sommer Jenput". The signature is written in a cursive, flowing style.

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