Cleantech Law Partners

Cleantech Law Partners, PC
548 Market Street, Suite 59966
San Francisco, CA 94104
www.cleantechlawpartners.com
866.233.8064

June 12, 2014

Public Utilities Commission of Oregon
Filing Center
POB 2148
Salem, OR 97308
Puc.filingcenter@state.or.us

RE: OPUC Docket LC 56

Attention Filing Center:

Enclosed for filing in the above-referenced docket are Small Business Utility Advocates' Comments.

Please contact me at dhenkels@cleantechlawpartners.com or 541-270-6001 if you have any questions. Thank you for your assistance in this matter.

Sincerely,

D M Henkels

Diane Henkels
Cleantech Law Partners PC
420 SW Washington St. Ste 400
Portland, OR 97204
Counsel for SBUA

Enclosure

Cc: James Birkelund

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

LC 56

In the Matter of: PORTLAND GENERAL ELECTRIC INTEGRATED RESOURCE PLAN 2013	))))))))	SMALL BUSINESS UTILITY ADVOCATES' COMMENTS

I. Introduction

Small Business Utility Advocates ("SBUA") offers the following comments as input and query regarding Portland General Electric's draft Integrated Resource Plan for 2013 (IRP). SBUA provides information and assistance with regard to utility regulatory measures impacting small business, to provide relevant information to small business and to provide advice to small businesses with respect to utility service. As of the most recently available Oregon Employment Department statistics, most businesses in Oregon are small business, which is defined as those with under 100 employees ORS 285B.123(2). The Oregon Employment Department statistics show that of the 91,000 firms in Oregon in April 2012, over 89,000 had fewer than 100 employees, and these firms employed 51% of the workforce.

Appreciating Portland General Electric Company (PGE) outreach, SBUA intervenes as per Guideline 2 regarding procedural requirements set forth in OPUC Order 07-002 where the involvement of the public includes opportunities to contribute information and ideas and make relevant inquiries of the utility formulating the plan. SBUA understands that the IRP must comply with the least cost planning requirement of OPUC

Order 89-507 and also that, as per OPUC Orders 07-002 and 07-047, the IRP must be consistent with the long-run public interest as expressed in Oregon and federal energy policies. SBUA appreciates the primary goal of the IRP to be the selection of a portfolio of resources with the best combination of expected costs and associated risks and uncertainties, aka "best cost/risk portfolio", for the utility and its customers. SBUA's comments and questions concern the following topics: the acquisition of new energy efficiency, and, regarding renewable generation, resource capacity contribution.

II. Regarding the acquisition of new energy efficiency

Below are references from this draft PGE IRP that SBUA has found regarding the acquisition of new efficiency:

- Pg 54: "Going forward, the joint ETO/PGE goal is to provide sufficient funding to acquire all available cost-effective EE within our service area. The cost-effective limit enables consideration of all measures that are, at most, equal in cost to an avoided electric generation resource, with appropriate adjustments to reflect additional value that EE brings, such as avoided capacity and emissions."

- Pg 57: "In order to capture all the achievable savings, the ETO would have to pursue a different measure mix to acquire savings that otherwise would become lost opportunities for measures that are currently not cost effective. Examples of the more costly lost opportunity measures for commercial deployment are high efficiency air conditioners, direct/indirect evaporative cooling units, and windows. New and replacement residential measures in this category include heat recovery ventilation and solar water heating."

- Pg 243: "EE: ETO cost effective deployment of EE: 124 MWa (158 MW) by 2017. PGE continues to work collaboratively with the ETO to assure sufficient funding for acquisition of all cost-effective EE, subject to customer adoption constraints. See Chapter 4 - Demand-side Options for additional discussion."

This measure-level total resource cost test ("TRC") is problematic as it can severely limit new energy acquisition. TRC testing compares retail cost to wholesale benefits, includes many incalculable factors (e.g. the value of comfort in a building and longevity), neglects the fact that programs function holistically rather than on a measure-level, and is perhaps more complicated than necessary. In the past, this was not a significant problem, but with lower avoided costs it is now placing severe limits on new efficiency acquisition. With the much lower natural gas prices, the avoided costs of new electrical generation are likely to drop in the short term. Under the current TRC testing, this means that long recognized efficiency measures like attic insulation (more than R-11 pre existing) and draft reduction have already been excluded from the IRP as sources of demand side supply and many more measures such as under-floor insulation and wall insulation will likely be excluded in the near future. It seems that PGE therefore finds itself under two contradictory requirements: first to pursue least-cost, least-risk methods of meeting demand and second to have all efficiency measures pass TRC testing. SBUA would like to learn more why PGE appears to focus on the "least-cost least risk" as the more important rule, and SBUA would like to know why the utility favors applying a measure based EE rather than maximizing energy efficiency as a whole in a given building.

III. Regarding resource capacity contribution:

Though there are several sources of energy generation to draw from, SBUA focuses here on wind resource capacity contribution in particular to inquire why the IRP uses capacity factor of Oregon/Washington and Montana wind yet relies on the Biglow Canyon Wind Farm for resource capacity contribution modeling? How much of the Biglow production is used by consumers in Oregon?

The current IRP draft states, "We include two geographic locations for wind resources: Pacific Northwest (PNW), with a capacity factor of 32.5%, and Montana, with a capacity factor of 39%." p 157. Yet the IRP states that "For portfolio modeling purposes, wind resources are assigned a capacity contribution at peak load equivalent to 5% of the nameplate capacity. This capacity contribution is derived from PGE's recent generation experience with Biglow Canyon Wind Farm. Hourly generation data from 2011 and 2012 for Biglow Canyon were paired with hourly loads for the same years. Capacity factors were calculated on an hourly basis, and then examined across periods of top 100 load hours." See IRP pp 174-176. It seems that determining capacity contribution warrants longer study hours, if not a full year as that information is available. Further, given the various wind resources throughout the state and region which may supply wind at different times and with different seasons, SBUA requests why PGE has confined its analysis to the areas identified. For the same reason, SBUA also suggests that PGE consider including a broader geographic scope in its considerations and planning.

IV. Conclusion

SBUA appreciates PGE's providing reliable service to a significant number of Oregon small businesses, while also participating in future-minded planning taking into account a different mix of fuels, and planning for carbon reduction. As we continue to use a greater amount of energy efficiency and renewable energy generation, we hope to enable small businesses to increase energy savings for internal operation operations and benefit from carbon-reducing energy policy implemented in PGE territory.

RESPECTFULLY SUBMITTED June 12, 2014.

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Diane Henkels
Of Counsel, Cleantech Law Partners PC
Counsel for Small Business Utility Advocates

CERTIFICATE OF FILING SERVICE

I hereby certify that on June 12, 2014, I filed the original and one copy of SBUA COMMENTS IN LC 56 2013 PORTLAND GENERAL ELECTRIC INTEGRATED RESOURCE PLANNING upon the persons named in the Service list by electronic mail only as all parties have waived service.

Nancy Esteb, PhD PO Box 490 Carlsborg, WA 98324 esteb44@centurylink.net	Thomas H Nelson Attorney at Law PO Box 1211 Welches, OR 97067-1211 nelson@thnelson.com	Northwest Energy Coalition Wendy Gerlitz 1205 SE Flavel Portland, OR 97202 wendy@nwenergy.org
Oregon Department of Energy Kacia Brockman Senior Policy Analyst 625 Marion St NE Salem, OR 97301-3737 kacia.brockman@state.or.us	Oregon Department of Energy Philip H Carver Senior Policy Analyst 625 Marion St. NE Ste Salem OR 97301-3742 phil.carver@state.or.us	Oregon Department of Justice Renee M France Senior Asst. Attorney General Natural Resources Section 1162 Court St. NE Salem, OR 97301-3742 renee.m.france@doj.state.or.us
Citizens' Utility Board of Oregon OPUC Dockets 610 SW Broadway, Ste 400 Portland, OR 97205 dockets@oregoncub.org	Bob Jenks Citizens' Utility Board of Oregon 610 SW Broadway, Ste 400 Portland, OR 97205 bob@oregoncub.org	G. Catriona McCracken Citizens' Utility Board of Oregon 610 SW Broadway, Ste 400 Portland, OR 97205 catriona@oregoncub.org
Cleantech Law Partners PC Diane Henkels 420 SW Washington St. Ste 400 Portland, OR 97204 dhenkels@cleantechlaw.com	Small Business Utility Advocates James Birkelund 548 St. Ste 11200 San Francisco, CA 94104 james@utilityadvocates.org	Renewable Energy Coalition John Lowe 12050 SW Tremont St. Portland, OR 97225-5430 jravensanmarcos@yahoo.com
Pacific Power Sarah Wallace 825 NE Multnomah St. Ste 1800 Portland, OR 97232 sarah.wallace@pacificorp.com	Pacificorp, DBA Pacific Power Oregon Dockets 825 NE Multnomah St Ste 2000 Portland, OR 97232 oregondockets@pacificorp.com	Renewable Northwest Megan Decker 421 SW 6th Ave #1125 Portland, OR 97204-1629 megan@renewablenw.org

Natural Resources Defense Council Ralph Cavanagh 111 Sutter St FL 20 San Francisco, CA 94104 rcavanagh@nrdc.org	Natural Resources Defense Council Angus Duncan 2373 NW Johnson St Portland, OR 97210 angusduncan@b-e-f.org	Renewable Northwest Renewable NW Dockets 421 SW 6th Ave., Ste. 1125 Portland, OR 97204 dockets@renewablenw.org
Public Utility Commission of Oregon John Crider PO Box 1088 Salem, OR 97308-1088 john.crider@state.or.us	PUC Staff—Department of Justice Michael T Weirich Business Activities Section 1162 Court St. NE Salem, OR 97301-4096 michael.weirich@state.or.us	Davison Van Cleve PC S Bradley Van Cleve 333 SW Taylor—Ste 400 Portland, OR 97204 bvc@dvclaw.com
Portland General Electric Patrick G Hager 121 SW Salmon St. 1 WTC0702 Portland, OR 97204 pge.opuc.filings@pgn.com; patrick.hager@pgn.com	Portland General Electric V. Denise Saunders 121 SW Salmon St. 1WTC1301 Portland, OR 97204 denise.saunders@pgn.com	Davison Van Cleve PC Tyler Pepple 333 SW Taylor—Ste 400 Portland, OR 97204 tcp@dvclaw.com

Dated: June 12, 2014.

Diane Henkels, Attorney at Law
Cleantech Law Partners, PC
Attorneys for SBUA