Portland General Electric
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March 19, 2019

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of Public Utility Commission of Oregon Rulemaking Regarding Renewable Portfolio Standard Planning Process and Reports
AR 616

Dear Filing Center:

Pursuant to the Public Utility Commission of Oregon ("Commission") Staff's February 26, 2019 Request for Comment, Portland General Electric Company (PGE) provides these responses to Staff's questions.

1. Please describe what you see as the respective functions of the RPIP and the Compliance Report? How does one complement the other? And, how do you think these reports relate to the IRP?

The function of the Compliance Report is to show how the company has achieved compliance in a given compliance year and the incremental cost associated with compliance in that year. PGE sees the function of the RPIP as a method to show the path to compliance with the renewable portfolio standard in each of the next five years following the filing of the report, with consideration of the incremental cost cap. The path provided by the RPIP is a forecast for compliance but may not be the only path to success.

From PGE's perspective the substantive content of the RPIP should be contained within, or in a companion filing to, the IRP to ensure consistency between the utility's resource plans and the information contained within the RPIP. The IRP already contains "annual targets for acquisition and use of qualifying electricity" (ORS 469A.075) and estimated costs associated with acquiring and integrating renewable resources. In addition, the IRP Guidelines already require that the utility submit an IRP or IRP Update at a cadence that would satisfy the requirement that "Implementation plans must be revised and updated at least once every two years." (ORS 469A.075).

Establishing the RPIP within, or as a companion filing to, the IRP would achieve the following objectives:

a. It would ensure consistency of assumptions between the RPIP and the latest IRP, which has been challenging in circumstances when the RPIP filing deadlines have occurred in the middle of ongoing IRP processes.

b. It would allow the information contained in the RPIP to be considered within the IRP docket so that potential impacts on the utility's ability to meet the cost cap can be considered prior to acknowledgement. Without this alignment, the two processes could send conflicting signals to the utility and to the market, if for example, an RPIP revealed that an already acknowledged renewable action from a prior IRP was expected to cause the utility to exceed its cost cap.

c. It would reduce the overhead associated with unaligned regulatory processes. By ensuring consistent data, assumptions, and timing between the IRP and the RPIP, utilities will require less additional time to prepare the RPIP filing and OPUC staff and stakeholders will require less additional time to review the utility's RPIP and supporting workpapers.

2. While the content for the RPIP and Compliance Reports is detailed in both OAR and statute, the requirements for these reports have remained a point of contention among parties. For example, understandings have differed as to what constitutes a material difference between an RPIP and the most recent IRP. Please specify any criteria in addition to the statutory requirements that should be established for RPIP and Compliance Report filings.

The statutory requirements for the RPIP require companies to identify annual targets for acquisition and use of qualifying electricity, and to estimate the cost of meeting annual targets. PGE feels these requirements are sufficient and we do not see the need for additional requirements at this time.

3. The current timing of IRP filings and RPIPs are not coordinated, despite SB 1547 making the link between these two processes stronger. What are your recommendations to better connect the timing of the RPIP with the IRP?

See answer to #1. PGE would propose to align the timing of the RPIP with the IRP process so that the RPIP can be filed within, or as a companion filing to, the IRP or IRP Update.

4. SB 1547 repealed the first-in first-out REC banking requirement and introduced Golden RECs into the RPS process. Both of these actions have long-term implications for RPS well beyond the current five-year planning horizon required in the RPIP. Indeed, in both PGE's IRP (LC 66 – RPS Glidepath) and PAC's IRP (LC 67 – Energy Vision 2020) the Companies take a longer view of regulatory compliance benefits of near-term renewable resource acquisitions. Yet, these planned acquisitions were not found in either companies' RPIP or Compliance reports filed in 2018. Would it be more appropriate, given the longer-term impacts of the companies' renewable resource acquisitions and the ability to bank certain RECs beyond the compliance window, to have the RPIP and even the Compliance Reports include information that covers a longer time frame? Please specify what information, if any, should be included and explain your answer.

PGE's IRP process already considers information through 2050 in the determination of the Preferred Portfolio and any associated actions that involve RPS-eligible resources. The RPIP should not require additional long-term analysis that is not already contained within the IRP. If time horizons beyond 5 years were to be investigated within the RPIP, PGE believes that it would be important to have clarity on how the cost cap analysis in the outer years would be taken into account by the Commission. If, for example a renewable resource addition that requires action within the Action Plan window does not result in the utility exceeding its cost cap, but a future renewable resource action might, PGE does not believe that this observation should factor into whether the RPIP is acknowledged or whether the near term renewable action is acknowledged in the IRP.

PGE takes this position for two reasons. First, technology cost uncertainty is large enough that even if a future action was found to trigger the cost cap under Reference Case IRP assumptions, that would not mean that the cost cap would necessarily be triggered by actual future procurement activities. Second, the IRP seeks acknowledgement only of near-term actions and does not ask the Commission to acknowledge all renewable actions into the future. If a future action may trigger a utility's cost cap, then this should be taken up in the future IRP and RPIP in which that action is being considered for inclusion within the Action Plan.

5. The RPIP rule specifies forecasts of several scenario and sensitivity requirements including expected incremental costs of new qualifying electricity, the expected incremental cost of compliance with the cost of unbundled RECs andalternative compliance payments, and a forecast of the number

and cost of bundled RECs issued. For each of the above listed forecasts the rule also requires one forecast that assumes existing government incentives continue beyond their current expiration date and one that does not. Are the required RPIP scenarios and sensitivities still appropriate?

PGE believes that the forecast scenarios within the RPIP should align with the scenarios explored in the company's most recently filed IRP or IRP Update.

6. Are there improvements to RPIP and RPS Compliance report formatting that should be made to more fully facilitate dissemination of information and review of thereports?

PGE would suggest removing the requirement that companies show the annual compliance forecast by resource <u>and vintage year</u>. The Company believes that showing estimated future compliance by resource is sufficient to meet the needs of the RPIP. The additional detail of the vintage year does not add materially helpful information to the forecast and is best shown in the Compliance Report only. Removing this information will result in a cleaner and more concise table for reviewers of the RPIP.

7. How should "associated energy storage" as it is used in ORS 469A.120 bedefined?

PGE considers "associated energy storage" to include plant, equipment, switchgear, communications or control systems that can be accessed by an electric company to provide some or all of the services needed to reliably integrate renewable energy resources on the system. Storage may be able to increase a distribution system's hosting capacity and provide services such as frequency response, frequency regulation, operating reserves, and load following.

8. Are there any specific changes you would like to see to the administrative rules related to the Renewable Portfolio Standard Planning process and reports that was not addressed in the previous questions? What legal and/or policy justification is there for your position?

PGE has no changes to propose at this time, but will review other stakeholders' recommendations and reserves the right to modify its position.

Sincerely,

Stefan Brown
Manager, Regulatory Affairs