

March 18, 2019

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

**NW Energy Coalition Responses: Staff Questions, AR 616,
Rulemaking related to Renewable Portfolio Standard Planning Process and Reports**

The NW Energy Coalition (NVEC) appreciates the opportunity to provide the following responses to the initial round of staff questions for AR 616.

AR 616 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 Compliance Report is retrospective and, as the name states, is intended for compliance review by the Commission and interested stakeholders. The RPIP is forward-looking and indicates the respective utility's intended direction for RPS compliance.

It is important for both the Compliance Report and RPIP to be considered in the IRP process. However, the record for the last several years, especially since passage of SB 1547, indicates that we are now in a more complex context for resource planning and and acquisition. From an era where occasional very large resource acquisitions were planned and completed, rapid changes in state and federal requirements and incentives, resource costs and technology innovation are leading to a more continuous acquisition process involving clusters of smaller resources and multi-resource acquisitions as well as single large resources. With a faster-moving process, important information and assessment in both RPIP and IRP filings has not been well aligned at times due to these changing circumstances.

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.

NVEC does not have a position 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?

In previous comments has NWECC suggested closer alignment of the RPIP and IRP processes. For example, we stated, “We hope the Commission will consider the need for better alignment between the IRP and the RPIP filings going forward . . . The Coalition recommends that the Commission consider ways to ensure that the RPIP process and calculations are relevant to ongoing actual compliance plans and actions. If RPIPs are going to be utilized as the primary means to evaluate RPS compliance strategy, perhaps the RPIP process needs to become more dynamic to ensure updated, transparent decision-making.” NWECC Comments on UM 1788, September 12, 2016.

We now offer an initial suggestion for this docket that RPIP filings be aligned with submission of IRPs and IRP Updates. That is, upon filing and opening a docket for a given IRP, an RPIP and parallel docket should also be initiated. Each docket should remain open through the filing of any IRP Update and an associated RPIP Update. We do not propose any change to the schedule for Compliance Reports.

The proposed dual-track approach would permit each utility to use the same modeling and other analytical tools to prepare consistent assessments that feed into the separate filing processes, reducing duplicative effort. Furthermore, this will enable a parallel comparison of both filings by the Commission, parties and interested stakeholders, leading toward Commission orders which provide uniform direction.

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.

NWECC does not initially support a change to the time frames required for the Compliance Reports and RPIP filings, but is open to additional views.

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 and alternative Renewable Portfolio Standard Planning Process and Reports (AR 616) 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?

As an initial position, we believe there is continued value in an alternative RPIP forecast that considers not only extension of existing government incentives but also the potential for new federal laws and regulations such as the currently suspended Clean Power Plan, a potential federal carbon tax, etc. Importantly, though, NWECA believes there should be consistency between the RPIP and IRP processes in addressing this type of alternative scenario.

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 the reports?

NWECA does not have a position at this time.

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

The recent announcement of PGE's intention to acquire the Wheatridge facility which includes proposed on-site storage indicates the importance of now making this addition to the rules. However, the definition should encompass any energy storage associated with a utility's acquisition of renewable energy resources, whether or not located on-site.

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?

NWECA does not have a position at this time.

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