PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232

October 24, 2022

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

Re: Docket UM 2011—PacifiCorp's Comments on Staff's Capacity Value Investigative Findings

PacifiCorp d/b/a Pacific Power (PacifiCorp) respectfully provides these comments in response to the September 23, 2022, Public Utility Commission of Oregon (Commission) Staff Announcement (Announcement) requesting comments on their capacity value investigative findings by October 24, 2022.

I. INTRODUCTION

In Order 19-155, the Commission adopted Staff's recommendation that a general capacity investigation be opened, initiating docket UM 2011. The three-phased general capacity investigation is intended to "ensure a common framework of understanding by parties and stakeholders of appropriate assumptions to value capacity."[1] The goal of the third and final phase of the investigation is to develop a broadly applicable methodology for valuing capacity. This docket is currently in this third and final phase and the Announcement provides Staff's proposed strategy to bring this proceeding to a close by the end of 2022. The Announcement also provided Staff's capacity value investigative findings and requested comments by October 24, 2022.

Staff's updated capacity value best practices presented in the Announcement include the following changes:

- "Updates to the generic capacity contribution methodology best practices to address deficiencies identified in utility-specific filings;
- Differentiation of generic modeling best practices from elements that should be informed by the requirements and objectives of individual use cases;
- Because of the differentiation noted above, expanded applicability of the generic modeling best practices to apply to all use cases, including planning, procurement, and resource adequacy to the extent practical;
- A process to conclude Phase 3 of docket UM 2011 and close the generic capacity investigation:

[1] Docket No. UM 2011, Order No. 19-185, Appendix A, 4.

- Commission adopts a set of best practices for modeling the capacity contribution of any single resource. Adopting the best practices will signify that the Commission agrees these practices should serve as a common baseline for Staff, parties, and the Commission when examining future capacity calculations across use cases.
- A set of use case specific modeling decisions that should be considered in use case specific activities.
- A roadmap of priority activities to begin implementing the generic best practices and tackling use case specific decisions."[2]

The following are PacifiCorp's comments on the staff updates.

II. PACIFICORP'S COMMENTS

A. Updates to the generic capacity contribution methodology best practices to address deficiencies identified in utility-specific filings

PacifiCorp supports Staff's revisions to identify that capacity contribution calculations should be based on a utility's Preferred Portfolio, including both resource mix results and targeted levels of reliability. The Preferred Portfolio is the most scrutinized portfolio in an integrated resource plan (IRP), is readily available, and directly addresses both concerns.

PacifiCorp notes that many aspects of reliability analysis continue to evolve as data becomes available and techniques are refined, in particular the relationships between weather, load, and renewable resource output under an evolving climate. While PacifiCorp's forthcoming 2023 IRP is currently in progress and may not capture every aspect of these relationships as identified in Staff's best practices document, these concepts are already an area of focus and will remain so into the future.

B. Differentiation of generic modeling best practices from elements that should be informed by the requirements and objectives of individual use cases

PacifiCorp supports the allowance for the use of an alternative to effective load carrying capability (ELCC) within the best practices document, specifically, using normalized 8760 loss of load probability (LOLP) values. Such evaluation allows for direct identification of the alignment between a resource's capability and the periods of risk and also can account for resource-specific geographic diversity and operational characteristics, which is not practical under the ELCC methodology. Normalizing LOLP risk, such that the total risk within a year always sums to 100 percent, also diminishes the need to "tune" the results relative to reliability targets. All of these characteristics avoid the need to conduct repetitive analysis with minor adjustments to hit desired reliability targets across a range of cases, as is the case with ELCC. Avoiding modeling repetition is particularly necessary in light of Staff's requirement to identify

[2] Docket No. UM 2011, General Capacity Investigation Staff Announcement dated September 23, 2022, pp. 2-3.

capacity contribution values for at least four modelling years spread across the study horizon. With all that in mind, PacifiCorp expects to use an alternative to ELCC, specifically 8760 LOLP analysis, rather than ELCC analysis to comply with the best practices document.

C. Because of the differentiation noted above, expanded applicability of the generic modeling best practices to apply to all use cases, including planning, procurement, and resource adequacy to the extent practical

PacifiCorp supports broadly applying capacity valuation best practices. PacifiCorp would note that the Resource Valuation of Solar template (adopted by the Commission for PacifiCorp in docket UM 1910) provides an appropriate calculation of capacity contribution based on normalized 8760 LOLP values and resource-specific generation profiles, as allowed in Staff's best practices document. While additional considerations may be necessary, for example for storage resources, PacifiCorp supports standardizing calculations where possible to increase familiarity and ease of use for both utilities and stakeholders.

III. CONCLUSION

PacifiCorp thanks Staff and the Commission for the significant work on this generic capacity investigation and appreciates the opportunity to comment on the updated capacity value best practices.

Please direct any questions regarding this filing to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Shelley McCoy

Shelley McCoy
Director, Regulation

Enclosures