



August 17, 2020

To: Service List,  
Oregon Public Utility Commission, Docket No. UM 2011

**Re: Staff's August 7, 2020 Proposed Issues List & Schedule**

Dear Service List,

Renewable Northwest appreciates the opportunity to file these informal comments regarding Staff's issues list and schedule proposed on August 7, 2020. While we understand Staff's preference "to focus on the application that would provide the most immediate benefit," we respectfully suggest that "focus[ing] on valuing capacity for purposes of PURPA implementation" is neither the best direction for this docket to take nor consistent with Commission Order No. 19-155.

On the former point — direction — while we recognize that there are open questions regarding how to determine and compensate capacity in the context of PURPA, the capacity contributions of QFs are not necessarily easy to translate or scale to the many other resources and resource mixes that contribute to utilities' capacity needs as the grid is evolving. We believe it would be more helpful to understand the capacity contributions of modern hybrid resources, systems of distributed energy resources, demand-side resources, efficiency, and storage. Oregon energy-system stakeholders and utility customers will benefit the most from methodologies that reflect and compensate the capacity benefits — including locational and T & D deferral benefits — of the full suite of modern resources. E3's July 9 presentation regarding the use of effective load carrying capability ("ELCC") to assess the capacity contributions of a range of resources appeared to represent a significant step in a positive direction. One way or another, it will be important to understand and formalize a methodology to determine capacity contribution of renewable and hybrid resources, especially given ongoing regional conversations about resource adequacy at a time of system transformation.

On the latter point — consistency with Order No. 19-155 — we appreciate that "Staff acknowledges that this docket was initiated for the purpose of determining a methodology that could value capacity for several different applications." It is worth briefly revisiting that purpose in the language of the April 16, 2019 Staff Report whose recommendation to open this docket the Commission adopted in Order No. 19-155. The Staff Report opened by observing that "a comprehensive approach to establishing greater understanding of capacity value may inform and harmonize how capacity is assessed across several dockets." The Staff report discussed ongoing system transformation, called out the piecemeal treatment of capacity across dockets and resource types, and called for a "holistic investigation into these issues related to capacity." Finally, the

Staff Report “envision[ed] this investigation resulting in establishment of a methodology that looks to the characteristics of capacity a resource provides” and can “then be used across multiple dockets and technologies for valuing capacity brought to the electric system.” In our view, focusing on QF capacity minus locational value and T & D deferral value is the sort of piecemeal, decontextualized analysis that the Commission was trying to move away from in opening UM 2011.

Aside from these global concerns about the direction of the docket, Renewable Northwest believes Staff’s bulleted issue list and proposed schedule are reasonable. We encourage Staff to reconsider proposed focus and return to the scope that the Commission intended when it opened UM 2011.

Sincerely,

A handwritten signature in blue ink, appearing to read "Max Greene".

Max Greene  
Regulatory & Policy Director