

**PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION REPORT
PUBLIC MEETING DATE: August 9, 2022**

REGULAR ___ CONSENT ___ RULEMAKING X EFFECTIVE DATE N/A

DATE: August 4, 2022

TO: Public Utility Commission

FROM: Nolan Moser

THROUGH: Michael Grant **SIGNED**

SUBJECT: ADMINISTRATIVE HEARINGS DIVISION: Recommendation to close dockets AR 610 and AR 616.

RECOMMENDATION:

Close dockets AR 610 and AR 616 because their purpose has been superseded by the creation of docket UM 2225 in response to House Bill (HB) 2021.

BACKGROUND:

The Oregon Legislature enacted Senate Bill (SB) 838 in 2007, creating the first renewable portfolio standard (RPS) in the state. In 2016, the Oregon Legislature enacted SB 1547, which increased renewable energy targets and changed the compliance mechanism of the RPS. Docket AR 610 was created in response to those changes.

The following year, Staff proposed to narrow the scope of docket AR 610 and create additional RPS rulemaking dockets. The Commission adopted this recommendation, narrowing the scope of docket AR 610 to the incremental cost of compliance with the RPS, and creating docket AR 616 to address the RPS planning process and reports.¹

More specifically, the scope of docket AR 610 considers the methodologies used for calculating incremental costs and annual revenue requirement. The scope of docket AR 616 considers aligning the rules with the purpose of each renewable portfolio standard implementation plan (RPIP), updating the schedule and content of planning and reporting requirements, and developing a definition of “associated energy storage.”

¹ Order No. 18-128

Both dockets remain in the informal phase. The most recent substantive action in Docket AR 610 was a Staff workshop in June 2020. The most recent substantive actions in Docket AR 616 were stakeholder comments filed in October 2020.

DISCUSSION:

In 2021, the Oregon Legislature enacted HB 2021 with accelerated decarbonization targets and a new clean energy plan (CEP) requirement for electric companies.² Per HB 2021, retail electricity providers must reduce their greenhouse gas emissions 100 percent below baseline level by 2040.³ To meet this requirement and interim targets, electric companies are required to develop CEPs concurrently with integrated resource plans (IRPs).⁴

CEPs must include incorporation of those clean energy targets, annual goals for actions to make progress toward those targets, an examination of resiliency opportunities, an examination of community-based renewable energy offsets opportunities and costs, and a demonstration of continual progress toward clean energy targets.⁵ In addition, HB 2021 created a cap for electric companies' costs of compliance and the impact of costs on retail rates.⁶ HB 2021 does not modify existing RPS requirements.⁷

In January 2022, the Commission opened an investigation to address CEP requirements (docket UM 2225). The initial phase intended to consider near-term guidance for incorporating CEPs into existing planning and procurement and near-term changes to IRP or competitive bidding processes to support utilities in satisfying HB 2021 targets. Staff held a workshop in February 2022 to discuss the scope, process, and outcomes of the docket UM 2225 initial phase.

In June 2022, the Commission issued Order No. 22-206 adopting Staff's recommended planning framework for the first CEPs. Under the selected framework, PacifiCorp, dba Pacific Power, and Portland General Electric Company will file the first CEP with the next IRP (or within 180 days of the next IRP filing if authorized by the Commission), consistent with the IRP analysis and action plan, and describing how the IRP and CEP have met HB 2021 planning requirements.

² HB 2021 (2021) is codified as ORS 469A.400 - 469A.475.

³ ORS 469A.410(1)(c).

⁴ ORS 469A.415(1).

⁵ ORS 469A.415(4)(a)-(e).

⁶ ORS 469A.445.

⁷ ORS 469A.460.

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The UM 2225 investigation continues. In June 2022, Staff held a workshop to discuss the community benefits requirement. A workshop to address the resiliency benefits requirement was held June 15, and the Staff-led process for reviewing utility planning engagement strategies continued in June and July.

AHD Recommendation

Given the broad scope of docket UM 2225, the broad directives of HB 2021, and the inactivity in AR 610 and AR 616, these two later dockets should be closed. Through docket UM 2225 and other utility planning actions, the Commission will address how utilities comply with HB 2021 as well as RPS requirements of SB 1547.

As the investigation continues, this will include the cost of compliance and rate increase cap as established in HB 2021. Therefore, because docket UM 2225 addresses compliance cost mechanisms and planning and process requirements, dockets AR 610 and AR 616 are no longer necessary.

We note however that should Staff and Stakeholders determine that elements of the AR 610 and AR 616 rulemakings need to be addressed outside of UM 2225, we will pursue a future, simplified rulemaking to address those issues.

PROPOSED COMMISSION MOTION:

Close dockets AR 610 and AR 616.