BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2143

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Investigation into Resource Adequacy in Oregon.	Comments of Renewable Northwest Nov. 21, 2022

I. INTRODUCTION

Renewable Northwest thanks the Oregon Public Utility Commission ("the Commission" or "PUC") and the OPUC Staff ("Staff") for the opportunity to provide initial comments on Staff's proposed docket strategy. In these brief comments, we express our continued support for Staff's proposal to conduct rulemaking and highlight the key areas that need refinement, reflecting on previous workshop discussions and proposals shared by stakeholders in this docket.

II. COMMENTS

Renewable Northwest has structured these comments around the scoping issues of Staff's proposed docket strategy and eventual rulemaking process. Previously, we recommended that Staff conduct a preliminary informational filing process & analysis to gauge the need for a short-term RA solution versus a long-term RA framework. As Staff stated in their report, the analytical results "did not identify the need for immediate Commission action, but helped refine the scope of issues for the rulemaking." We believe that getting the scope solidified is critical to ensure that the rulemaking process is smooth and efficient.

1. **Renewable Northwest supports Staff's proposed approach but requests clarity on certain scope issues.**

Renewable Northwest broadly supports Staff's strategy in this docket and appreciates the proactive nature of discussions to ensure that state regulation is aligned with regional developments on resource adequacy. The Western Resource Adequacy Program ("WRAP") is an important step towards regional coordination on resource adequacy, but improvements especially on the capacity accreditation mechanisms will be undertaken after the program is stood up post approval from FERC. We support the compliance process and standards proposed by Staff with the caveat that there are unresolved issues on how they would apply for IOUs and ESSs who are participants or non-participants in WRAP. We have the following comments on the scoping issues:

a. Reliability Standard

Staff should clarify what reliability standards are being proposed by the Western Resource Adequacy Program. The WRAP actually requires participating entities to procure enough resources to meet a 1 event-day in 10 years loss of load expectation (LOLE) standard, which may have different implications than a 1 day in 10 year LOLE standard. In case this standard is not consistent with a utility IRP (which is the case especially for PacifiCorp), the participating utility must conduct additional analysis and provide a detailed report on how their loads and resources meet the regional and state RA standards. This can be done via both IRP public meetings as well as Commission workshops. It is important to note that the WRAP RA standard is eventually converted into a Planning Reserve Margin (PRM) value for the two binding seasons i.e. summer and winter. It is however important for state regulators to ensure that the utilities are adequate during the shoulder months with increasing impacts of climate change changing weather patterns and transmission constraints. RNW supports the binding nature of the standards and urges the Commission to ensure that transparency is maintained in future filings to provide stakeholders with information on how the loads and resource balances of the entities are changing with aggressive resource procurement and increasing effects of climate change.

b. Capacity Contribution of Resources

While the WRAP treats capacity contributions on a regional basis, including analyzing resource production or dispatch during capacity critical hours, it will be important to ensure reasonable flexibility for utilities that are using more advanced practices than the regional program. Ideally, any state standard would allow utilities to continue using more advanced methodologies so long as they are able to provide adequate justification for their approach. For example, the WRAP

program is currently oscillating between ELCC and a 5-hour duration-requirement approach to set capacity accreditation values for energy storage resources such as battery storage and hybrid resources, both of which are going to be critical capacity resources going forward. The program cites lack of operational data as an explanation and has proposed to develop a reasonable methodology in future iterations of the program design. In the context of Oregon, if an IOU or ESS with experience operating storage resources has more operational data that justifies their particular approach in assessing the capacity contribution, then they should be allowed the flexibility to pursue that approach as long as it conforms to data requirements and other parameters in Staff's Best Practices[1] discussed extensively in the UM 2011 docket. This approach would appropriately leverage that work due to the level of rigorous vetting and discussions that stakeholders including IOUs went through in that process.

2. **Staff's filing proposal is reasonable but must set clear guidelines on requirements for the RA analysis to be filed with the integrated resource plans.**

RNW supports Staff's proposal to require WRAP participating entities including IOUs to file their compliance reports with their Integrated Resource Plans (IRP) but also strongly recommends that the Commission provide guidelines on the components and standards of these reports to ensure that stakeholders are informed and the information presented is transparent. As part of the process of developing guidelines, we recommend that IOUs conduct a focused stakeholder workshop on their WRAP participation and RA modeling including sharing the following with the Commission and stakeholders:

a. Comparative analyses of capacity contribution/accreditation values for resources provided by the program operator (Resource Qualifying Capacity Credits or QCC) and ones generated through internal RA modeling (ELCC).
b. Comparative analyses of load forecasting methodology, seasonal Planning Reserve Margin (PRM) and load-resource balance for future forward showing & advisory periods (3-5 year forward look) through WRAP and through utility IRP planning.
c. Planned buildout and contracts (including transmission) to meet PRM and firm transmission requirements.
d. Monthly look on sharing and holdback requirements data in the previous binding seasons (summer & winter).

[1] Attachment A. Staff's Capacity Value Best Practices. UM 2011. https://edocs.puc.state.or.us/efdocs/HAH/um2011hah164835.pdf

A comparative analysis of a utility's load and resource balance and other related data points on resource capacity contributions would enable the Commission and stakeholders to gauge the impact of regional coordination and would lead to better planning and procurement outcomes in future IRPs, CEPs, and RFPs.

III. CONCLUSION

Renewable Northwest again thanks the Commission for this opportunity to comment regarding Staff's proposed docket strategy and scoping issues. We look forward to continued participation in this investigation.

Filed this 21st day of November, 2022,

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