

November 18, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3988

RE: UM 2143 – PacifiCorp’s Comments on Staff Process Proposal

PacifiCorp d/b/a Pacific Power (PacifiCorp) appreciates the opportunity to provide comments in response to the Public Utility Commission of Oregon’s (Commission) docket strategy and straw proposal for the UM 2143 Resource Adequacy (RA) Investigation issued on October 15, 2021. Staff’s proposal illustrates careful consideration of stakeholder input and diligence in exploring RA issues. PacifiCorp commends Staff on its analysis of the issues and efforts in this proceeding. PacifiCorp’s comments reiterate several key issues discussed during the October 27, 2021 workshop and in PacifiCorp’s prior submittals.

I. PacifiCorp supports the two-phased approach identified by Staff.

PacifiCorp appreciates Staff’s efforts to address RA issues in both a near-term and long-term process. Recent weather events in Oregon have illustrated the importance of RA, especially with summer heat events beginning as early as June. These events, however, are not limited to Oregon, and RA issues are better addressed through regional efforts. PacifiCorp supports the Phase 1 Alternative of adopting the Northwest Power Pool (NWPP) RA standards by reference, but is not opposed to providing Staff with the same information provided to the NWPP Western Resource Adequacy Program (WRAP), subject to the confidentiality restrictions discussed below, to provide transparency to the Commission. If that data review indicates a RA shortage, Staff can evaluate the need for more immediate action to direct procurement of resources or contracts to meet RA requirements.

PacifiCorp does not support the development of Oregon-specific RA requirements absent an alternative compliance option. Creation of Oregon-specific RA requirement would put multi-state electric utilities in an untenable and unnecessary situation of procuring to meet the requirements of different RA programs. This minimizes the efficiency of regional RA participation and would likely lead to increased costs for Oregon customers.

II. The Commission should adopt the NWPP WRAP RA requirements by reference.

The Commission has the advantage of the opportunity to establish its RA program through the adoption of regional requirements developed over several years by those with technical expertise in the field. The NWPP WRAP has established criteria to analyze and compare RA among its participants. Those criteria are also anticipated to receive review by the Federal Energy

Regulatory Commission. This puts the Commission in the enviable position of being able to adopt by reference previously established RA criteria to compare the preparedness of Load Service Entities (LSE) in Oregon.

Further, incorporating the NWPP WRAP requirements by reference allows for the development and minor corrections that accompany new programs without additional rulemaking efforts, which could lead to additional inconsistencies between Oregon RA requirements and regional RA requirements. PacifiCorp supports an approach that produces consistent regional requirements that allows Staff and the Commission to evaluate not only RA among OR LSEs, but also how those LSEs compare to others in the region.

III. The Commission should establish an audit process for RA.

PacifiCorp recognizes and supports the need for Commission review of LSE RA compliance and for all LSEs to be subject to the same requirements and treated equally. PacifiCorp supports the provision of data to Staff to accommodate its review and analysis to ensure that all LSEs are meeting their RA requirements and not leaning on other LSEs, thereby shifting costs to other customers. PacifiCorp, however, is concerned about unnecessary expansion of the review process and risk of disclosure of highly confidential forward positions of all LSEs.

The Commission should approach RA compliance as an audit, not a contested proceeding. A review of RA compliance is a reliability assessment only and does not necessitate the same stakeholder process. Stakeholders do not need to review the costs and forward positions of any LSE, including a utility reviewing an Energy Service Supplier's RA plan and vice versa. The risk of misuse of the information for a competitive advantage is simply too great, and any potential contribution of intervenors too small to justify either a contested case proceeding or broad stakeholder process. While long-term resource investments for RA are addressed through the integrated resource plan and its stakeholder process, for RA there are limited shorter-term options and the timing to act in advance of seasonal requirements is limited. Accordingly, a Staff audit of RA is sufficient and participation should be limited to the LSE, Staff, and, upon request from Staff, the Transmission Provider to confirm proof of deliverability.

The Commission should also incorporate blanket protections for RA data showing forward pricing or positions. This information is extremely confidential and disclosure could be used to dramatically affect trading in energy markets and, as a result, costs for customers.

IV. The Commission should adopt the Alternative Interim Solution.

PacifiCorp remains concerned that the development of Oregon-specific RA requirements will lead to more problems and increase costs for Oregon customers. The Commission has a developed RA program to reference that promotes regional consistency. Establishing different standards for Oregon creates a risk that certain market participants could game the differences to increase the value of resources or contracts, requiring Oregon LSEs to purchase more while limiting the requirements for LSEs outside Oregon. The Alternative Interim Solution also

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provides the option to meet the Oregon RA standards through participation in a regional RA program. This is critical for multi-state utilities to incorporate consistent requirements in its resource planning process. Otherwise, Oregon-specific requirements may result in contracts or resources dedicated to Oregon customers, increasing costs unnecessarily.

PacifiCorp thanks the Commission for the opportunity to provide these comments and recognizes Staff's leadership in facilitating this process. PacifiCorp looks forward to continued participation in this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Matt McVee', written over a horizontal line.

Matt McVee
Vice President, Regulatory Policy and Operations