



August 23, 2021

Oregon Public Utility Commission (OPUC)  
Attention: Filing Center  
201 High Street, Suite 100  
Post Office Box 1088  
Salem, OR 97308-1088

**Re: UM 2166 OSSIA Comments on PGE's Draft RFP Scoring and Modeling**

Dear Commissioners:

The Oregon Solar + Storage Industries Association (OSSIA) respectfully submits these comments on Portland General Electric's (PGE) draft scoring and modeling methodology for its upcoming request for proposals (RFP), as well as the OPUC's surrounding approach, which must be uniquely considered given recent new 100% clean legislation in both Oregon and Washington. The key will be defining the scale of the challenges and procurement, as well as ensuring HB 2021's clear policy statements requiring strong preferences for *Oregon sited facilities* are accounted for in procurement plans.

This year, following Washington's passing of the Clean Energy Transformation Act (CETA) in 2019, the Oregon Legislature passed HB 2021, which dramatically accelerated Oregon large investor-owned utilities' (IOUs) requirements to achieve decarbonization. HB 2021 requires PGE and PacifiCorp to achieve 80% reductions in greenhouse gas emissions (GHGs) from a 2010 baseline by the year 2030, 90% below that baseline by 2035, and 100% below that baseline by 2040.<sup>1</sup>

Undeniably, HB 2021 will require major changes in energy procurement plans and operations by Oregon IOUs, and likely several thousand MW of new renewables and dispatchable generation. What is unclear at this point is what approach will be pursued, and on what schedule, by the IOUs, to ensure success in compliance. The challenges should not be underestimated, particularly in meeting milestones in a timely manner. 80% in 9 years; 90% in 16 years; 100% in 20 years. Several thousand megawatts, perhaps even 10,000 MW, of procurement will be needed depending on the amount of renewable resources or stand-alone storage acquired. Washington's IOUs will be competing for the same resources, given CETA's demands, with Puget Sound Energy and Seattle City Light currently pursuing additional

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<sup>1</sup> 2021, 81<sup>st</sup> Or Legislative Assembly, Enrolled House Bill 2021 at § 3.



thousands of MW—and several thousand MW of Colstrip retirements dropping out in the next 5 years.<sup>2</sup>

The challenges of HB 2021 compliance will be defined by the (1) overall volume of effort cross-multiplied with (2) serious timeline challenges: long interconnection schedules (4-8 years) and major, long-known transmission constraint challenges that have just been amplified by these new laws. The National Environmental Policy Act (NEPA) permitting alone for Bonneville Power Administration (BPA) projects, as well as permits for projects like Boardman to Hemingway (B2H), move in decade-type time scales. Those timelines are challenges the IOUs will not be able to unilaterally accelerate.

**Require that IOUs Define a Clear Initial Plan:** In light of this backdrop, OSSIA asks the OPUC to require Oregon utilities, including PGE in this docket, to clearly map a plan for compliance, given the scale and challenges required to reach HB 2021’s major goals. How many MW of new renewables will PGE require by 2040 and where will they come from?

The PUC should require that this plan account for (i) the scale of effort; (ii) clear steady progress; (iii) timeline assurance and achievability, overall and throughout the interim; and (iv) strong market signals to facilitate timely necessary investments of the appropriate scale (and with contingencies as not all projects will succeed).

And thus, this RFP—given the multi-year gaps common between IOU procurements, and the multi-year effort that will be involved now—should be putting PGE properly on track for 2030, 2035, and 2040 compliance. This RFP should thus prioritize and ensure earlier procurement of renewables. Given the history of transmission constraints, the long lead time for transmission upgrades and the near certainty that major amounts of new transmission and additional renewable and non-emitting energy and capacity will be needed in the future.

Further, PGE’s scoring and modeling methodology should reflect HB 2021’s clear preferences for new energy facilities to be built and operated *in Oregon*. Among other things, HB 2021 also included a policy statement “[i]t is policy of the state of Oregon that...” the HB 2021 complying electricity... “that produces zero greenhouse gas emissions... also be generated *to the maximum extent practicable, in a manner that provides **additional direct benefits to communities in this state in the forms of creating and sustaining meaningful living wage jobs, promoting workforce equity and increasing energy security and resiliency***” (emphases added).<sup>3</sup>

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<sup>2</sup> California may also be competing for the same resources. Monchamp Meldrum LLP, CA Emergency Proclamation to Quickly Increase Energy Generation, Suspend Certain Environmental Requirements (Aug. 3, 2021) <https://mlandlaw.com/keeping-the-lights-on/>.

<sup>3</sup> 2021, 81<sup>st</sup> Or Legislative Assembly, Enrolled House Bill 2021 at § 2. Policy.



As Representative Helm noted “I understand this language to mean that the renewable energy generation will be built where Oregon workers would get the jobs associated with the construction and the operation of those facilities.”<sup>4</sup>

It would be hard to imagine any compliance with Section 2, Paragraph 2’s “to the maximum extent practicable” achievement of “creating and sustaining meaningful living wage jobs” and “work force equity” in Oregon to occur without substantial preferences for Oregon-based facilities, particularly given the volume of wind and solar resources available and currently under development in Oregon. Similarly, “energy security and resilience” are amplified by a diversity of facilities located closer to load, as resiliency directly increases as the miles of power lines that might burn down between generation and load.

PGE’s draft RFP scoring and modeling do not currently reflect how PGE will meet this goal through this procurement. Given that HB 2021 is now Oregon law and this RFP reflects PGE’s first major acquisition following its enactment, the Commission must ensure the scoring and modeling reflect how the procurement will provide direct benefits in Oregon, which should also be reflected in the IOUs’ HB 2021 plans and roadmaps.

**Early Procurement to Mitigate Transmission and Interconnection Risks.** Given the history of substantial transmission constraints and long lead times for transmission upgrades, it is important that PGE define a roadmap that mitigates these risks, to ensure timely HB 2021 compliance. PGE must both procure earlier than it has in the past and lay out procurement needs earlier than in the past. That way PGE can both mitigate delays and send a clear signal to the market to start making investments in transmission infrastructure sooner rather than later. And meanwhile the “ready to go” projects can be cleared from the queue making way for more junior projects to invest sooner, again mitigating delay risks.

In this RFP, PGE proposes to procure 300 MWs of capacity resources to be online no later than the end of 2024 (with the exception of pumped hydro, which must be online by the end of 2027). PGE then notes that following its next 2022 integrated resource plan (IRP), bids for an acknowledged RFP could be received in 2024 likely for online dates later than 2027. If PGE were to modify its proposal to increase earlier procurement of ready and near-ready resources, PGE can help “clear the deck” of more of the “ready soon” projects, and thus clear the way for developers to start (and continue) funding investment in interconnection and transmission upgrades necessary for future needs in order to successfully achieve HB 2021’s subsequent major milestones.

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<sup>4</sup> House Committee on Revenue at 15:46 (May 13, 2021) <https://olis.oregonlegislature.gov/liz/mediaplayer?clientID=4879615486&eventID=2021051192&startStreamAt=946&stopStreamAt=970>.



We know transmission upgrades are needed and that PGE will need to procure more renewables and non-emitting capacity in the future.<sup>5</sup> Procurement today should reflect that, along with the heavy lift unavoidably required by HB 2021, and get started on as much as possible, as fast as possible. The transmission issue will continue to be a problem or present an even bigger and more dire problem in PGE's next RFP, unless PGE acts in the near term to send the appropriate signal to the market to begin making those investments now.

Moreover, if those challenges prove unsolvable, or particularly expensive, that information needs to be known and transparent to the OPUC and to PGE's planners, as soon as possible. This will inform appropriate and timely identification of cost and schedule alternatives.

Finally, the Commission should provide additional time and process on this RFP as determined to be necessary to appropriately scope and size this RFP given the change in the policy landscape from HB 2021. It is essential to get this procurement right and if additional time is needed on the front end, it should be provided for.

Thank you for your attention to these comments. We look forward to working with the Commission constructively to help craft implementation of HB 2021's requirements that is successful, risk mitigating, schedule compliant, and fulfills the state of Oregon's policy objectives. We believe that path is most successfully, and most cost effectively, paved with solar projects, right here at home, built by Oregonians and improving grid resiliency in our state, as we spend our state's ratepayer dollars to do so.

Sincerely,

A handwritten signature in black ink that reads "Angela Crowley-Koch".

Angela Crowley-Koch  
Executive Director

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<sup>5</sup> President Biden's infrastructure plans emphasize transmission and clean energy investments, and the Federal Energy Regulatory Commission (FERC) is seeking comments on potential changes to regional transmission planning, cost allocation and interconnection processes in order to account for the shifting need to acquire greater renewables in areas far from load or where there are transmission constraints. Therefore, while the Federal government is signaling potential long-term solutions to the transmission problem, these do not account for PGE's acute need for transmission in the shorter term.