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November 24, 2021

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY,
2021 All-Source Request for Proposals.
Docket No. UM 2166

Dear Filing Center:

Please find enclosed the Alliance of Western Energy Consumers' Comments on Oregon Public Utility Commission Staff's Report for the December 2, 2021 Special Public Meeting in the above-referenced docket.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Corinne O. Milinovich
Corinne O. Milinovich

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2166

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	COMMENTS OF THE ALLIANCE OF
COMPANY,)	WESTERN ENERGY CONSUMERS
)	ON STAFF’S PUBLIC MEETING
2021 All-Source Request for Proposals.)	REPORT
_____)	

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to file these Comments on Oregon Public Utility Commission (“Commission”) Staff’s Report for the December 2, 2021 Special Public Meeting. In response to Staff’s Report, AWEC recommends that the Commission take no action on PGE’s Draft Request for Proposals (“RFP”) with respect to the additional 65 aMW of renewable resources PGE proposes to “explore procuring.”^{1/}

In its initial comments on the Draft RFP, AWEC noted that, in proposing to acquire an additional 65 aMW of renewable resources, PGE’s Draft RFP was not in alignment with its most recently acknowledged Integrated Resource Plan (“IRP”) and, therefore, recommended that the Commission not approve the Draft RFP. In response, Staff’s Report “disagrees with AWEC that PGE has not provided any data to support consideration of an alternative procurement scenario in this RFP.”^{2/} The Report states that “Staff asked a variety of questions during the scoring and modeling methodology discussion to elicit insight into PGE’s HB 2021 compliance needs and

^{1/} PGE Draft RFP at 4.
^{2/} Staff Report at 38.

plan. PGE responded with a preliminary analysis that included an estimate of the resources needed to meet the 2030 compliance target.”^{3/} Staff does agree, however, that “additional analysis is needed to support actual pursuit of the alternative procurement scenario (or a different alternative procurement scenario.”^{4/} Ultimately, Staff “expects that if and when the time comes for PGE to make a case for procurement based on an alternative procurement scenario, there will be robust discussion of the supporting data for doing so.”^{5/}

OAR 860-089-0250(3)(g) provides that “[a]t a minimum, the draft RFP must include ... The alignment of the electric company’s resource need addressed by the RFP with an identified need in an acknowledged IRP or subsequently identified need or change in circumstances with good cause shown.” In this case, it is undisputed that the Draft RFP does not align with the acknowledged IRP, and the “good cause” PGE provides is little more than the bare fact of HB 2021’s passage. Staff’s reference to PGE’s “preliminary” analysis in the Company’s comments on its scoring and modeling methodology is unavailing, as that analysis does not study the addition of another 65 aMW of renewables.^{6/} Rather, this additional procurement was Staff’s own suggestion, made without any robust analysis to support it.^{7/} The level of analysis PGE has provided has been insufficient historically to warrant approval of an RFP that deviates from an acknowledged IRP.

In UM 1773, PGE sought approval of an RFP for 175 aMW of new renewable resources. Due to the recent passage of SB 1547 (establishing a 50% renewable portfolio standard), and a

^{3/} Id.

^{4/} Id.

^{5/} Id.

^{6/} PGE Reply Comments on Scoring and Modeling Methodology at 4 (Sept. 13, 2021).

^{7/} Staff Report for October 5, 2021 Public Meeting at 12 (Sept. 29, 2021).

recent extension of the production tax credit, PGE argued that it had a time-limited opportunity to acquire additional renewable resources and sought a selective waiver of certain of the competitive bidding guidelines, while still requesting that the Commission approve its RFP.^{8/} PGE performed no IRP-style least-cost/least-risk analysis to demonstrate the reasonableness of its procurement strategy. Consequently, the Commission declined to approve the RFP. The Staff Report the Commission adopted provides the following reasoning:

In the absence of a post-SB 1547 acknowledged Action Plan, the burden remains on the Company to both demonstrate a need for the resource and show that its resource acquisition plan is least-cost, least-risk. As explained immediately below, Staff concludes the Company has not done so.

The Company's proposal to issue the RFP is not driven by a load-resource imbalance. Rather, the only need identified by the Company is to comply with post-SB 1547 RPS requirements. Staff recognizes that this is a real need; however, Staff notes that there are multiple portfolio options which could achieve RPS compliance using different proportions of bundled and unbundled RECs, and a combination of PPA's and Company-owned resources with various magnitudes and acquisition dates.

The Company has presented analysis on only two potential compliance paths across a range of acquisition dates ... both of which anticipate physical compliance only. This very limited analysis is not a substitute for an IRP process.^{9/}

Staff's comments in UM 1773 also reflect other Commission precedent. In Docket No. UM 1208, the Commission refused to approve a PacifiCorp RFP for approximately 1,100 MW of base load resources because it was inconsistent with the utility's acknowledged IRP.^{10/} In its order, the Commission stated that the reason for this requirement is to ensure that "our review is

^{8/} Docket No. UM 1773, PGE Petition for Partial Waiver of Competitive Bidding Guidelines (May 4, 2016).

^{9/} Docket No. UM 1773, Order No. 16-280, Appen. A at 8 (July 29, 2016).

^{10/} Docket No. UM 1208, Order No. 07-018 (Jan. 16, 2007).

based on a fully vetted and acknowledged resource plan.”^{11/} The Commission also rejected PacifiCorp’s argument that the portfolio modeling and decision criteria it used for its RFP would be consistent with its next IRP. The Commission noted that this assertion was “of little assistance to our review ... [as] parties have not had the opportunity to review those criteria because PacifiCorp has not yet submitted its 2006 IRP.”^{12/} Thus, consistency with a utility’s acknowledged IRP is crucial to Commission approval of an RFP because it ensures that the Commission has evaluated, understands, and agrees with the utility’s resource procurement strategy.

Under this precedent, the question is not, as Staff frames it, whether PGE has provided “any data” to support its additional procurement, but instead whether it has performed a robust analysis to demonstrate that this procurement is part of a least-cost, least-risk strategy. Staff does not claim that PGE has met this threshold. Indeed, PGE’s Draft RFP in this case is similar to the one it proposed in UM 1773 in that the passage of new legislation provides the only justification and analysis for the portion of its procurement strategy that deviates from its IRP. AWEC sees no reason to treat this RFP differently. While it is true that UM 1773 and the other cases cited above were issued under the Commission’s Competitive Bidding Guidelines rather than the Resource Procurement Rules the Commission issued in AR 600, AWEC does not understand the Commission to have substantively modified what it means to approve an RFP when it adopted the Resource Procurement Rules.^{13/}

^{11/} Id. at 3.

^{12/} Id. at 4.

^{13/} See Docket No. AR 600, Order No. 18-324 at 8 (Aug 30, 2018).

This case is also distinct from PacifiCorp’s 2019 IRP and 2020 All-Source RFP. In that case, PacifiCorp processed both its IRP and RFP on nearly parallel tracks. In its approval of PacifiCorp’s RFP, the Commission noted that its decision was made, in part, with the understanding that PacifiCorp was continuing to analyze sensitivities required by the Commission’s acknowledgment of the 2019 IRP.^{14/} Thus, continued analysis throughout the RFP process to justify the acquisitions proposed in that RFP, as Staff recommends PGE perform here, was part of the Commission’s IRP acknowledgment order, which the Commission issued approximately one month before approving the RFP.^{15/} In other words, PacifiCorp’s draft RFP was consistent with its acknowledged IRP, unlike PGE’s Draft RFP in this case.

To be clear, AWEC’s position is not that it is necessarily unreasonable for PGE to acquire additional renewable resources above the level acknowledged in its last IRP. Indeed, it may be reasonable for PGE to acquire more than the additional 65 aMW it proposes. The issue is that, at this time, no one knows the most reasonable procurement strategy. AWEC agrees with Staff that “additional analysis is needed to support actual pursuit of the alternative procurement scenario,” but approving an RFP on the expectation that PGE will perform this analysis prior to procurement is putting the cart before the horse.

The Commission should take no action on the additional procurement strategy PGE proposes in its Draft RFP. This decision will not prevent PGE from pursuing whatever resource strategy it determines is prudent, but will maintain consistency with the Commission’s rules and precedent.

^{14/} Docket No. UM 2059, Order No. 20-228 at 7 (July 16, 2020).

^{15/} Docket No. LC 70, Order No. 20-186 at 18-19 (June 8, 2020).

Dated this 24th day of November, 2021.

Respectfully submitted,

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/s/ Tyler C. Pepple

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