

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2274

In the Matter of

PORTLAND GENERAL ELECTRIC,

2023 All-Source Request for Proposals,
Request for Partial Waiver of Competitive
Bidding Rules.

RENEWABLE NORTHWEST'S
REPLY TO STAFF REPORT

Renewable Northwest (“RNW”) is grateful to the Oregon Public Utility Commission (“Commission”) for the opportunity to submit these comments regarding Commission Staff’s Report on Portland General Electric’s 2023 All-Source Request for Proposals (“RFP”). In these comments we broadly support the Staff Report, which does a thorough and thoughtful job of analyzing and recommending resolution of each issue RNW identified in our earlier comments. Beyond that broad support, we offer more specific comments on one item that spans this docket and Commission Docket No. LC 80 regarding PGE’s 2023 Integrated Resource Plan and Clean Energy Plan.

RNW’s June 16, 2023 comments in this docket raised the following issues:

- The importance of aligning the RFP with the evolution of PGE’s Integrated Resource Plan and Clean Energy Plan in Commission Docket No. LC 80;
- A recommendation to move PGE’s required Commercial Operation Date later than 2025 to allow a robust bid pool;
- A request to remove PGE’s proposed imputed debt adder for power-purchase-agreement bids as contrary to Commission practice and precedent;
- The need for PGE to provide more information regarding utility-controlled bid elements in conformance with Commission rules;
- Support for PGE’s pricing flexibility for bidders;
- A recommendation that PGE assess the tax credit transferability market as a sensitivity rather than a core assumption; and
- Recommendations regarding clarification of PGE’s minimum bid criteria.

The Staff Report addresses those issues as follows:

- Staff agrees to track and work to align UM 2274 and LC 80;

- PGE agreed in prior comments in this docket to accept bids with Commercial Operation Dates through 2027;
- Staff recommends removal of the imputed debt adder as a condition of approval;
- Staff recommends that PGE be required to provide additional information about utility-controlled bid elements as a condition of approval;
- Staff regards pricing flexibility as a resolved issue;
- Staff agrees that the transferability market is best addressed via sensitivity analysis; and
- PGE and Staff collectively resolved a number of clarity issues with PGE's proposed minimum bid criteria.

We appreciate PGE's and Staff's attention to our comments and support Commission approval of the RFP subject to the conditions recommended by Staff.

We do offer one additional recommendation regarding Staff's recommended RFP Condition 6, regarding straw proposals for third-party bids using utility-controlled bid elements. While the information included in RFP Condition 3 will be helpful for third parties interested in developing straw proposals, additional information may be necessary to maximize the potential value of a straw proposal. In particular, information such as meteorological data, environmental studies, and executed interconnection and transmission agreements -- to the extent these resources exist -- will help ensure third parties can bring the most value to bear in generating and submitting straw proposals. We encourage PGE to provide, or the Commission to direct PGE to provide, these materials.

RNW further appreciates Staff's comments on long-lead time resources and PGE's Request for Information ("RFI") that is being discussed in Docket No. LC 80. RNW supports PGE's conducting the RFI to seek feedback on any necessary changes to the RFP process to accommodate long-lead time resources. RNW made several recommendations related to the RFI process in LC 80, which are:

- That PGE provide an opportunity for initial input in the design of the RFI related to long-lead time resources or ensure there is sufficient time after the RFI to incorporate any changes or elicit feedback on those changes to the RFP process to accommodate long-lead time resources;
- That there be sufficient time after PGE completes the RFI for stakeholders to review and recommend RFI information obtained by PGE be incorporated into its next RFP, and that the timing of Oregon offshore wind development stages, including leasing events, be considered when establishing timing of the RFI and incorporation of the RFI into RFPs; and

- That the Commission clarify that transmission should be treated as a long-lead time resource.¹

RNW also agrees that at a minimum the RFI should explore the four questions Staff raised in the Staff Report.² RNW looks forward to continued discussion on the RFI and potential changes to the RFP process to accommodate long-lead time resources in LC 80.

Zooming out, RNW appreciates PGE's efforts to bring on the new clean resources necessary to meet customer needs and achieve HB 2021's emission-reduction mandates, as well as the opportunity to provide these comments and Staff's excellent work on the Staff Report. We look forward to the conclusion of the RFP review process and the next stages of PGE's procurement and this docket.

Respectfully submitted this 21st day of December, 2023,

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¹ See *In re PGE 2023 Clean Energy Plan and Integrated Resource Plan*, Docket No. LC 80, RNW's Round 2 Comments at 2-5 (Nov. 21, 2023).

² Staff Report at 70. The four questions are:

1. How much time should be allotted between RFP issuance, the signing of a contract, and the commercial operation date for LLTs?
2. Can a traditional RFP resource valuation accommodate LLT resources and, if so, what should be changed to account for unique benefits provided by various LLT technologies to ensure they can compete fairly against more traditional resources? If not, what other procurement approaches best protect customers with least cost, least risk procurement options?
3. How should transmission requirements be altered with respect to LLTs bidding into an RFP, whether that RFP is for all resources or specifically for LLTs.
4. What aspects of a LLT project should be considered as within the control of the project, and what aspects should be considered outside of its control.