

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2274**

In the Matter of

PORTLAND GENERAL ELECTRIC,

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

OREGON SOLAR + STORAGE INDUSTRIES
ASSOCIATION COMMENTS ON PGE'S DRAFT
REQUEST FOR PROPOSALS

The Oregon Solar + Storage Industries Association (“OSSIA”) timely submits these comments on Portland General Electric’s (“PGE”) 2023 Draft Final All-Source Request for Proposals (“RFP”). For the reasons laid out below, OSSIA recommends some modifications to the Draft RFP.

I. Comments

The first area that OSSIA has concern with relates to the projected timeline for the RFP. By setting the cut-off for commercial operation on 12/31/2025, the RFP will limit competition to only very late-stage projects and only those that may have large balance sheets to finance significant development before they have an executed contract. Traditional timelines for development are approximately 3 years. These timelines are getting longer with interconnection queue lags. In order to bid into this RFP, projects will have had to expend significant financial capital without knowing an off taker. This means that the RFP is functionally limiting the pool of competitive proposals in favor of projects that can move forward without waiting to finance based off a contract. Accordingly, the RFP should allow projects to come online later than

12/31/25 without the requirement that a first phase be completed by 12/31/25. A project that comes online in 2026 will still contribute to the identified 2026 capacity need.

Second, on the transmission requirements, the Draft RFP requires proposals to demonstrate meeting one of three eligible transmission service products that is equivalent to at least 80% of the resource's interconnection limit. As PGE laid out in their draft plan there is only approximately 700 MW of remaining long-term firm transmission rights on BPA's system deliverable to PGE without needing costly upgrades. These transmission constraints necessitate a lower percentage of the resource interconnection limit. OSSIA suggests that the percentage be set instead at 70%. Additionally, as the transmission requirements require each proposal to demonstrate an achievable plan to get eligible transmission service products for at least 80% of the resource interconnection limit, an achievable plan is an extremely discretionary requirement. Accordingly, if PGE determines that a proposal may not meet this discretionary standard, the company should provide an explanation of how the proposal did not meet the criteria and allow an opportunity to cure.

Third, Appendix N Scoring and Modeling Methodology provisions on labor requirements goes farther than is required in law. "Union labor must be utilized for construction activities related to the resource and must include a Project Labor Agreement requirement in any related executed Engineering, Procurement and Construction Agreements, applicable to all parties. Additionally, bidders must meet the requirements set forth in ORS 757.306 for projects built in Oregon. For projects built both inside and outside of the state, all labor requirements established for the highest level of tax credit for the ITC and PTC must be met."¹ The statement requiring union labor and a project labor agreement goes beyond what is required to comply with ORS

¹ PGE 2023 All-Source RFP Draft Final, Appendix N Scoring and Modeling Methodology, pg. 7

757.306, while OSSIA is supportive of PLA's, it is one of several options available to demonstrate compliance. Accordingly, OSSIA recommends that the Commission take a similar action as in PGE's last RFP by removing the broadly applicable project labor agreement requirement and instead, "requiring that bidders adhere to labor requirements in state law."²

Fourth, with the move towards scoring being based 100% on the price element, OSSIA has some concerns about the relative weighting of project viability and the potential for the minimum bid requirement to exclude competitive resources. OSSIA recommends that at least some of the scoring be based on non-price elements in order to weigh a project's viability and its ability to contribute to meeting HB 2021's clean energy policy goals. This is especially true for projects that provide meaningful living wage jobs, promoting workforce equity and increasing energy security and resiliency. It also raises the question of how will the price score be determined if bidders are assuming certain commercial terms negotiated with PGE?

OSSIA believes that with these modifications the RFP will be in a better position to procure meaningful additions to the grid and begin moving the needle towards compliance with HB 2021's annual goals.

Dated this 16th day of June 2023.

Respectfully Submitted,

Oregon Solar + Storage Industries Association



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² Order No. 21-460, December 10, 2021, pg. 1