

# Davison Van Cleve PC

Attorneys at Law

TEL (503) 241-7242 • FAX (503) 241-8160 • [avc@dvclaw.com](mailto:avc@dvclaw.com)  
Suite 430

107 SE Washington Street  
Portland, OR 97214

November 21, 2023

## *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,  
2023 Clean Energy Plan and Integrated Resource Plan.  
**Docket No. LC 80**

Dear Filing Center:

Please find enclosed the Response to Staff Comments of the Alliance of Western Energy Consumers in the above-referenced docket.

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

Sincerely,

/s/ Anna V. Congdon  
Anna V. Congdon

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**LC 80**

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC	)	COMMENTS OF THE ALLIANCE OF
COMPANY,	)	WESTERN ENERGY CONSUMERS
	)	ON STAFF ROUND 2 COMMENTS
	)	AND RECOMMENDATIONS
2023 Integrated Resource Plan/Clean Energy	)	
Plan.	)	
_____	)	

**I. INTRODUCTION**

Pursuant to the Administrative Law Judge’s April 20, 2023 Conference Memorandum in the above-referenced matter, the Alliance of Western Energy Consumers (“AWEC”) files these comments with the Oregon Public Utility Commission (“Commission”) on Staff’s Round 2 Comments and Recommendations regarding Portland General Electric Company’s (“PGE”) Integrated Resource Plan and Clean Energy Plan (collectively, “IRP”).

In general, AWEC and Staff appear largely aligned on PGE’s portfolio modeling, and AWEC appreciates Staff’s thorough and thoughtful discussion of these topics. AWEC does continue to disagree with Staff’s recommendation to acknowledge PGE’s acquisition of Community-Based Renewable Energy projects, which is discussed more thoroughly below. Additionally, while AWEC agrees with Staff that PGE should perform an hourly analysis of its greenhouse gas emissions (“GHG”), AWEC does not agree that there is sufficient process remaining in this docket to evaluate whether such an analysis, if PGE performs it, is sufficient to acknowledge PGE’s long-term resource plan. Finally, AWEC recommends that the Commission condition any acknowledgement of PGE’s Clean Energy Plan on PGE’s submission of a reliable

cost forecast that will allow the Commission and parties to determine whether execution of PGE’s long-term resource plan will cause the utility to exceed the cost cap in HB 2021.

## II. COMMENTS

### A. The Commission should not acknowledge PGE’s CBRE acquisition target.

In Opening Comments, AWEC expressed concern regarding PGE’s proposal to acquire CBRE resources and recommended that this action item not be acknowledged. Staff’s comments nevertheless recommend that the Commission “acknowledge PGE’s CBRE Action Item subject to the condition that PGE pursue the broader range of procurement actions that it identified in comments in this docket.”<sup>1</sup> AWEC continues to recommend that the Commission not acknowledge PGE’s IRP in light of the outstanding CBRE issues discussed below.

Staff finds that PGE’s modeling of CBRE resources is “simplistic” and, thus, “there is limited value in attempting to quantify the benefits of a higher or lower CBRE target” than what PGE has proposed.<sup>2</sup> On this point, AWEC, Staff, and PGE all appear to be aligned.<sup>3</sup> Nevertheless, “Staff remains supportive of PGE’s CBRE targets.”<sup>4</sup> Staff does not explain the basis for its position, and given that Staff does not recommend specific adjustments to PGE’s “simplistic” modeling, it appears that there is no analytical basis underlying Staff’s position.

Given that PGE, Staff, and AWEC all agree that PGE’s modeling of CBRE resources is deficient, PGE should only select CBRE resources if those resources compare favorably from a cost perspective with all other resources PGE has the opportunity to acquire. This can be done

---

<sup>1</sup> Docket No. LC 80, OPUC Staff Round 2 Comments and Recommendations, at 11 (Oct. 24, 2023) (“Staff Comments”).

<sup>2</sup> *Id.* at 10.

<sup>3</sup> PGE Response to Round 1 Comments at 65 (Sept. 6, 2023); AWEC Opening Comments at 12-13 (July 27, 2023).

<sup>4</sup> Staff Comments at 10.

by requiring CBRE resources to bid into an all-source RFP so they can be compared with all other resources to identify a least-cost, least-risk portfolio. AWEC understands, however, that this type of RFP process may discourage CBRE resources from participating. Given that, if PGE holds a CBRE-specific RFP or alternative processes, as Staff recommends, it should compare these resources with the bids in its all-source RFP, using the same methodologies used in the all-source RFP, to identify whether CBRE resources are cost-competitive with traditional resources. If they are, then AWEC supports their selection (assuming they help meet an energy or capacity need). If not, then PGE should not acquire them.

Acquiring CBRE resources that are higher cost than traditional resources will have two primary impacts. First, it will unnecessarily increase rates for customers at a time when they are already facing substantial cost pressures.<sup>5</sup> Second, it will make it more likely that PGE will hit the cost cap in HB 2021. If that occurs, it will be substantially less likely that PGE will be able to meet the carbon reduction targets in that law. Thus, acquisition of CBRE resources could have the unintended consequence of increasing PGE’s carbon emissions relative to a portfolio that does not contain these resources.

Staff also disagrees with AWEC that community-specific benefits of CBRE resources “are inappropriate for inclusion in the Preferred Portfolio or Action Plan.”<sup>6</sup> To clarify, AWEC did not argue that such benefits should not be modeled as a component of CBRE resources. Rather, AWEC’s position is that, to the extent PGE identifies such benefits and these benefits result in selection of CBRE resources that otherwise would not have been selected under a least-cost/least-risk analysis, then the above-market costs of the selected CBRE resources should be

---

<sup>5</sup> See Docket No. UE 416, PGE Resp. to Bench Request 5-8 (Nov. 15, 2023).

<sup>6</sup> Staff Comments at 10.

assigned to the communities receiving these benefits.<sup>7</sup> This is consistent with cost-causation and insulates customers that do not receive these benefits from paying higher costs. That said, the Commission does not need to render a decision on this issue in this docket, as it is more appropriately determined in a ratemaking proceeding where cost allocation is under consideration. AWEC only notes its position in this case to highlight the issue.

Finally, AWEC continues to recommend that, if PGE does pursue CBRE resources through a targeted RFP process or through other means, the Company should include biomass resources as eligible for selection. As AWEC previously demonstrated, biomass is eligible to satisfy the only statutory mandate PGE has with respect to CBRE resources, so excluding these resources is unwarranted and makes little sense.<sup>8</sup> Staff does not address this issue in its comments, so AWEC raises it again here. The only way to ensure that PGE meets its CBRE requirement at the lowest possible cost is for it to allow all eligible resources to participate.

**B. The Commission should condition acknowledgment of PGE’s long-term resource plan on PGE performing an hourly analysis of greenhouse gas emissions in its IRP update, but should not acknowledge the long-term plan based on an hourly analysis PGE performs in this IRP.**

Staff currently recommends that the Commission not acknowledge PGE’s long-term resource strategy unless PGE can supplement its IRP with, among other things, an hourly analysis of greenhouse gas (“GHG”) emissions associated with its retail electricity load.<sup>9</sup> If PGE cannot perform this analysis in this docket, then Staff recommends that the Commission condition acknowledgment on PGE performing an hourly analysis in its 2025 IRP update.<sup>10</sup>

---

<sup>7</sup> AWEC Opening Comments at 15-16.

<sup>8</sup> *Id.* at 14-15; ORS 469A.210.

<sup>9</sup> Staff Comments at 4.

<sup>10</sup> *Id.*

AWEC supports hourly analysis, and such analysis has the potential to alleviate some of AWEC's primary concerns with the IRP. However, the current IRP schedule will not provide adequate time for parties to vet the revised analysis and confirm the adequacy of it. For example, it is possible that the hourly analysis would rely heavily on market transactions to reshape low carbon energy generation profiles to meet load profiles. If the market does not have sufficient load shifting capabilities, the revised analysis may remain deficient. Given the broad agreement across parties that PGE's IRP is deficient, and the limited time available to parties to review any corrections, AWEC recommends not specifically acknowledging the long-term strategy regardless of whether PGE provides an hourly analysis in its next round of comments. AWEC does not oppose Staff's alternative recommendation that the Commission condition acknowledgment of the long-term plan on PGE performing an hourly analysis in its IRP update.

**C. The Commission should condition acknowledgment of PGE's resource strategy on PGE analyzing the cost of resource acquisitions in the context of HB 2021's cost cap.**

HB 2021's 6% cost cap has received relatively little attention in this process. Staff does not discuss it at all, and AWEC also did not analyze it in its Opening Comments (though it did raise the issue in oral comments before the Commission). This is because PGE's long-term plan contains so many weaknesses and assumptions that the plan does not provide any reliable data for evaluating the potential cost of compliance.

HB 2021 allows an electric company or certain organizations to "request that the [Commission] open an investigation to provide accounting for investments made, costs incurred or forecasted costs estimated by the electric company for the purpose of compliance with

sections 1 to 15 of this 2021 Act.”<sup>11</sup> If the actual or anticipated cumulative rate impact exceeds six percent of annual revenue requirement for a year, an electric company is exempted from further compliance until further investments can be made under the cap.<sup>12</sup> PGE’s 2022 revenue was \$2.15 billion, indicating that the HB 2021 cost of compliance limit is approximately \$130 million.

Given that HB 2021’s cost cap can be triggered by forecasted costs, it is essential that the Commission receive reliable evidence and data of such costs. Such evidence and data do not exist in PGE’s IRP and, thus, it is impossible to know whether PGE’s Action Plan and long-term resource plan is likely to exceed the cost cap or not. Accordingly, AWEC recommends that, if the Commission acknowledges PGE’s Clean Energy Plan, that it do so on the condition that PGE provide reliable cost estimates for achieving its 2030 carbon reduction obligation. There may be several avenues available to PGE to perform this estimate; however, AWEC does not believe that the Commission should acknowledge any short list from a PGE RFP that includes resources to be acquired for HB 2021 compliance without receiving a reliable cost forecast.

### **III. CONCLUSION**

For the foregoing reasons, AWEC continues to recommend that the Commission decline to acknowledge PGE’s CBRE Action Plan item; decline to acknowledge PGE’s long-term resource strategy, or condition compliance on PGE conducting an hourly GHG analysis in its next IRP update; and that the Commission condition acknowledgment of PGE’s Clean Energy Plan on PGE providing a reliable cost forecast to review the potential for PGE to exceed the HB 2021 cost cap.

---

<sup>11</sup> HB 2021 § 10(1).

<sup>12</sup> *Id.* § 10(4).

Dated this 21<sup>st</sup> day of November, 2023.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

Tyler C. Pepple

107 SE Washington Street, Suite 430

Portland, Oregon 97214

(503) 241-7242 (phone)

(503) 241-8160 (facsimile)

tcp@dvclaw.com

*Attorney for the*

*Alliance of Western Energy Consumers*