



Portland General Electric Company

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portlandgeneral.com

August 15, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: AR 626 – In the Matter of Rulemaking Regarding Certificate of Public Convenience and
Necessity
Portland General Electric Company's Post Hearing Comments

Dear Filing Center:

Enclosed please find attached Portland General Electric Company's Post Hearing Comments to be
filed in the above-mentioned docket.

Thank you for your assistance.

Sincerely,

/s/ Jason R. Salmi Klotz

Jason R. Salmi Klotz
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JSK/DM
Enclosure
cc:

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 626

In the Matter of

Rulemaking Regarding Certificate of
Public Convenience and Necessity

PORTLAND GENERAL ELECTRIC
COMPANY’S POST-HEARING
COMMENTS

I. INTRODUCTION

Portland General Electric Company (“PGE”) submits its post hearing comments in response to the draft proposed rules addressing the filing and processing of petitions for Certificates of Public Convenience and Necessity (“CPCN”) filed with the Secretary of State on June 30, 2022 (“6/30 Proposed Rules”). While the 6/30 Proposed Rules are appreciated as improvements over all prior iterations, PGE believes that the 6/30 Proposed Rules would benefit from further clarification as described herein.

II. DISCUSSION OF PGE’S PROPOSED CHANGES

Specifically, PGE has concerns regarding the following 6/30 Proposed Rules and will address them by rule and section below:

OAR 860-025-0030

Specifically regarding (2)(b) and (2)(c):

There appears to be duplication regarding “comprehensive narratives” in these two rules. PGE would propose that the Commission either draw distinctions between the “comprehensive narratives” mentioned in each of these two rules, or alternatively, delete the requirement to provide a “comprehensive narrative” under (2)(c), and allow that rule to focus exclusively on maps.

Additionally, PGE proposes that improved clarity could be achieved in the language found in (2)(c)(F) by making some minor grammatical changes as noted below.

PGE's proposed changes, reflected in the redlined language below, would allow these revised rules to be read as follows:

(b) A thorough description of the information listed in subsection (c) of this rule, including but not limited to the proposed route, voltage and capacity of the line. The description ~~shall~~must include a comprehensive narrative that provides sufficient details to enable a full understanding of the public convenience, necessity and justification in the public interest for the proposed transmission line and the benefits to be derived therefrom, and to enable a determination of its safety and practicability.

(c) A ~~comprehensive narrative of the transmission line project, which must be accompanied by a~~ map or maps that are drawn to appropriate scale and show appropriate distinguishing colors and symbols to depict the following information:

(A) A general location and boundaries of petitioner's service area to be connected or served by the proposed transmission line.

(B) Proposed route, voltage and capacity of the proposed transmission line.

(C) Available alternate transmission line routes analyzed by petitioner, if any.

(D) Other transmission lines and substations of petitioner connecting, serving or capable of being adopted to connect or serve the areas covered by the proposed transmission line, if any.

(E) The terminals, substations, sources of energy, and load centers, existing or proposed, related to the proposed transmission line and its intended operation, including the proposed transmission line itself.

(F) Each parcel of land ~~and any interests therein~~ that the petitioner has either acquired or ~~must~~has determined it should acquire an interest in to construct and operate the transmission line. The parcels of land ~~and any interests therein~~ that the petitioner ~~must still~~has determined it should acquire an interest in ~~must~~shall be clearly marked, and ~~must~~shall clearly show the general contour, uses, and improvements along that portion of the proposed route, inclusive of structures and agricultural uses.

Specifically regarding (2)(d)

Similar to (2)(c)(F), clarity in the language of the rule at (2)(d) in both (A) and (B) could be achieved by making some minor changes as noted below:

(d) An estimate of both already incurred and forecasted costs of developing the transmission line project, including:

(A) Parcels of land ~~and any~~ that petitioner determines it should obtain an interests ~~therein~~ and for which condemnation is assumed to be necessary at the time of the petition.

(B) Other parcels of land and /or any interests therein acquired or to be acquired.

(C) Transmission facilities including but not limited to, poles, lines, substations, accessory and miscellaneous labor, plant and equipment inclusive of any communication apparatus and environmental mitigations.

(D) Indirect and overhead costs including engineering, legal expense, taxes, interest during construction, and itemized administrative and general expenses.

(E) Any other costs, direct or indirect, relating to the transmission line project including but not limited to operating and maintenance costs of the project.

(F) Explanation of the foregoing cost estimates as needed to enable a full understanding of their basis and derivation.

Regarding (2)(f)

Similarly, clarity in the language of the rule at (2)(f) could be achieved by making some minor changes as noted below:

(f) A description of the parcels of land ~~and any~~ that petitioner determines it should obtain an interests ~~therein~~ and for which condemnation is assumed to be necessary at the time of the petition, a full explanation of the intended use, and the specific necessity and convenience of each. The description ~~must~~ shall be accompanied by the names and addresses of all persons who have interests, known or of record, in the land to be physically impacted ~~affected~~ or traversed by the proposed route from whom petitioner has not yet acquired the ~~necessary~~ interest, rights of way or option therefor. Petitioner ~~must~~ shall include with the petition a certificate of service verifying that notice of the petition has been mailed to said persons.

Regarding (2)(j):

As PGE stated at the Hearing on August 4, 2022, providing estimated bill impacts is no simple matter. To provide credible information about the average monthly bill increase for its own customers by “ each Oregon customer class”, a petitioner would effectively be required to perform a cost-of-service analysis, akin to that performed for a rate case, an unduly burdensome

as a requirement for a CPCN and generally reserved for rate cases, particularly given that the Commission retains rate-making authority during which proceeding it can evaluate actual project costs and impacts to customers.

For the foregoing reasons, PGE proposed, during the Hearing, that the Commission consider deleting (2)(j) in its entirety and rely solely on the language found in (2)(k)(A), to ensure petitioner is obligated to supply information about the “costs and benefits” sufficient to allow the Commission to assess such costs and benefits with respect to petitioner’s Oregon ratepayers and make a finding and a determination about the necessity, practicability and justification in the public interest of the proposed transmission line.

Notwithstanding the foregoing proposal, and having considered Commissioner Thompson’s question related to this topic, PGE could support (2)(j) being modified to read as follows:

(j) Estimated revenue requirement ~~bill~~ impacts. At a minimum, petitioner must include an estimate of the levelized, annual revenue requirement of the transmission line as a percentage of its projected average monthly bill increase for its customers in each Oregon customer class that may experience a rate increase, given the annual revenue requirement. A ~~bill impact analysis~~ revenue requirement estimate provided under this rule ~~is~~ may be used solely for ~~the~~ purposes of evaluating the petition.

The revisions proposed here are consistent with what PGE had in mind when it responded to Commissioner Thompson’s follow-up inquiries about utilizing a revenue requirement instead of estimated bill impacts.

Regarding (2)(n) and (2)(p):

During the Hearing, PGE inquired whether there is any meaningful difference between what the Commission is asking a petitioner to provide in (2)(n) vs. (2)(p) (copies have been included below for ease of reference), as these two requirements appear to be requesting the

same type of information, although (2)(p) is more explicit than, and fully encompasses the information requested under, (2)(n).

(2)(n) Supporting analysis, conducted and prepared by or for the petitioner, if the petitioner alleges that the transmission line provides needed redundancy or reliability.

(2)(p) Electrical engineering studies and reliability or resiliency analyses supporting the necessity of the transmission line when relevant, including those addressing single and multiple contingencies.

To the extent the Commission agrees that these rules would result in the production of duplicative information, PGE would propose that the Commission delete (2)(n) as the less descriptive of the two rules and rely exclusively on the requirement of (2)(p) to obtain the information that may be necessary to evaluate the petition with respect to reliability, resilience and redundancy. This revision would not only avoid duplication of materials produced by the petitioner but would also avoid confusion that could otherwise arise in one's effort to discern a difference between the two.

~~(n) Supporting analysis, conducted and prepared by or for the petitioner, if the petitioner alleges that the transmission line provides needed redundancy or reliability.~~

(p) Electrical engineering studies and reliability or resiliency analyses supporting the necessity of the transmission line when relevant, including those addressing single and multiple contingencies.

Regarding (2)(r):

Although PGE is not proposing any changes to this rule, PGE notes that this rule requires the petitioner to certify that it has submitted its responses to the most recent version of the Standard Data Requests ("SDRs") for a CPCN. In light of that, PGE would renew our request to review those SDRs with sufficient time to develop and submit comments, prior to the close of this rulemaking.

(r) When filing a petition, a petitioner must also certify that it has concurrently submitted

its responses to the most recent version of the Standard Data Requests for Petitions for Certificates of Public Convenience and Necessity, approved by the Commission and available at [insert weblink].

Regarding OAR 860-025-0030(3):

As currently drafted, this rule indicates that a petition may not be filed **unless** the Petitioner includes all documentation to support a finding under OAR 860-025-0040(2) or (7). Yet, OAR 860-025-0030(4) provides for an alternative—the waiver request—that would allow the Petition to be filed despite missing documentation to support a finding under OAR. 860-025-0040(2) or (7). As such, PGE would recommend that OAR 860-025-0030(3) be revised to explicitly acknowledge that filing a waiver request in compliance with OAR 860-025-0040(4) is also an approach that would permit a petition to be filed.

(3) A petition may not be filed under this rule unless the petitioner includes with the petition all necessary documentation to support a finding under OAR 860-025-0040(2) or (7) or files a request for a waiver as described in OAR 860-025-0030(4).

OAR 860-025-0035

With respect to this rule, PGE notes that significant improvements have been made, but our prior proposal for the inclusion of a reasonable deadline by which a determination on a CPCN petition should be rendered, is still absent from the rules and this causes PGE concern, particularly given the duration of prior CPCN proceedings.

As mentioned in PGE’s previous comments and at the Hearing on August 4, many of the transmission projects that PGE anticipates it will need to construct in the near-term are likely to be needed for load growth and system resiliency/reliability. Preliminary designs suggest that such lines will be necessary in urbanized areas; they will be short in length and necessary to connect one existing substation to another existing substation, or to a new substation. Despite

best efforts at planning, local area load growth can also materialize quickly based on economic drivers, governmental policy decisions, and power system changes, prompting the need to construct transmission facilities with little advanced notice.

Available space to locate and build transmission, particularly in urban areas, can also be limited, and it is getting increasingly more complicated to secure. When the need for a CPCN petition becomes apparent for a short-length transmission segment, the currently proposed process to obtain a CPCN could potentially take longer than it would for the utility to design and construct the entire project, at least if there is no reasonable timeframe established for the Commission to review and process a CPCN. For the foregoing reasons, PGE recommends that the Commission establish a reasonable timeline of no longer than six (6) months, within which to complete its review of a petition for a CPCN and issue its decision. PGE believes this could be accomplished by revising section (1)(e) of this rule to read as follows:

(e) The Commission may also consider other factors it deems relevant to the statutory criteria, but in any event, the period during which the Commission shall evaluate the petition, make its findings and issue its decision shall not extend beyond one hundred eighty (180) days from the date upon which the petition was filed, unless the Commission and the utility enter into a written stipulation to extend the period during which the Commission can act on the petition, provided, however, such extension shall not exceed an additional ninety (90) days.

OAR 860-025-0040

Generally speaking, this rule too, has improved from the first draft of rules pertaining to this topic, but PGE would continue to encourage the Commission to allow itself enough flexibility in this rule for the Commission to issue the CPCN, or at least a conditional CPCN, even if the land use approval or EFSC site certificate is not finalized, or if there is an amendment

to the land use approval that is pending. Accordingly, PGE concurs with the rationale and recommendations reflected in Idaho Power's proposal to clarify that the Commission may issue a CPCN pending final land use approvals, including pending an appeal of the final land use approval, discussed in their comments filed August 11, 2022.

III. CONCLUSION

PGE appreciates the Commission's invitation to submit post-hearing comments and its willingness to give consideration to the changes that stakeholders have proposed throughout the informal and formal stages of this docket. Progress has been made and PGE is confident that the 6/30 Proposed Rules are in a pretty good place but would benefit from further clarification as described herein.

Dated this 15th day of August 2022.

Respectfully submitted,



Jason Salmi Klotz

Manager, Regulatory Strategy and Engagement.
Portland General Electric Company