



Portland General Electric Company
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April 25, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

Re: Initial Comments of PGE to the Notice of Proposed Rulemaking for AR 626

Dear Commissioners:

Portland General Electric Company (PGE or the Company) welcomes the opportunity to participate in the Oregon Public Utility Commission (Commission) rulemaking AR626,¹ which seeks to finalize proposed, additional rule changes governing petition requirements for and the issuance of Certificates of Public Convenience and Necessity (CPCN) and the interaction with Oregon's Statewide Land Use Planning Goals, local land use permitting and approvals, and the Energy Facilities and Siting Council process.

PGE submits these comments in response to the Commission's Notice of Proposed Rulemaking (NOPR) for CPCN issued on March 31, 2022, which provides guidance for rule changes necessary to reflect and incorporate the resource planning guidelines instituted subsequent to the original rule's inception.² PGE appreciates the opportunity to provide comments regarding the Commission's proposed rule changes, and thanks the Commission for its continuing efforts to engage with representatives from the Oregon Department of Energy (ODOE) and Department of Land Conservation and Development (DLCD) as well as local land use officials and stakeholders engaged in the Staff-led informal rulemaking process.

PGE is generally supportive of the NOPR language, but continues to have concerns about the following overarching issues:

¹ Oregon Public Utility Commission, AR 626 Docket (available at <https://apps.puc.state.or.us/edockets/docket.asp?DocketID=21932>)

² Oregon Public Utility Commission's Notice of Proposed Rulemaking, March 31, 2022, <https://edocs.puc.state.or.us/efdocs/HCB/ar626hcb174959.pdf>

- 1) ensuring that other state policy requirements are considered with regard to the time it takes to process applications for CPCNs,
- 2) the rules should afford the Commission the flexibility to issue a CPCN while land use approvals are outstanding, and
- 3) the IOUs and COUs are able to plan and move forward with scheduled activities related to the proposed transmission project, short of pursuing condemnation, for the duration of the CPCN application review process and until the Commission's Order is issued.

Comments

- Federal and State policies are changing quickly to accelerate clean energy plans and to improve infrastructure resiliency. These changes will undoubtedly require new transmission be built to connect to new renewable generating resources, support changing power flows on the grid from clean energy resources, and/or to increase resiliency on the grid. Given that transmission permitting and land use approvals can be very complicated and can require a significant period of time and expense, even years for large-scale projects³, the Commission has the opportunity, through this rulemaking, to ensure the CPCN process is effective yet efficient, so as not to unduly extend the timeline and increase the expense necessary to develop the transmission elements that may be being proposed in order to implement Oregon HB 2021.
- Many of the transmission projects that PGE anticipates will be constructed in the near-term, are likely going to be needed for load growth and system reliability/resiliency. Preliminary designs suggest they will be necessary in urbanized areas, they will be short in length, and they will be necessary to connect one existing substation to another existing substation, or to a new substation. And, despite best efforts at planning, local area load growth can materialize and change quickly based on economic drivers, policy decisions, and power system changes which can necessitate local area transmission projects to be planned and constructed with little advanced notice. These projects are typically built within a few years from project identification to completion, and the permitting primarily resides at the local and state level. Available space to locate and build transmission, particularly in urban areas, can be limited and is getting increasingly more complicated to secure.

³ One example is Idaho Power's Boardman to Hemingway project. The project has been in development for approximately 15 years. With a development timeline of 15-20 years, there is little room to add elongated regulatory hurdles if meeting the requirements of HB 2021 is to happen

When a CPCN petition is needed for a short length transmission segment in an urban area, the currently proposed process to obtain a CPCN could potentially take longer than it would take to design and construct the entire project, at least if there is not a reasonable timeframe established for the CPCN process. For all CPCN petitions, PGE recommends that the Commission adopt a definitive timeline, during which an application is processed and a Commission decision is rendered. PGE would also suggest that for transmission projects that are short in length (i.e., less than 10 miles) and are going to be in urbanized areas, the processing timeline be further reduced or streamlined.

PGE looks forward to continuing to discuss these and other related issues with the Commissioners, Staff, and stakeholders. Should you have any questions regarding these comments, please contact Stefan Brown at stefan.brown@pgn.com.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com.

Sincerely,

/s/ Jay Tinker
Director, Rates and Regulatory Affairs