



December 27, 2022

Via Electronic Filing

Oregon Public Utility Commission
Attention: Filing Center
201 High Street, Suite 100
Post Office Box 1088
Salem, OR 97308-1088

Re: LC 77 – Opposition to PacifiCorp Waiver Request

Dear Commission, Staff and Stakeholders:

NewSun Energy LLC (NewSun) respectfully submits this opposition to the waiver request submitted by PacifiCorp on December 13, 2022 to waive the Public Utility Commission (Commission) Integrated Resource Plan (IRP) guideline 2(c). NewSun supports the objection filed in this docket on December 20, 2022 by Sierra Club, Northwest Energy Coalition, the Oregon Citizen’s Utility Board, and the Green Energy Institute.

NewSun has significant concerns regarding the assumptions PacifiCorp is using or planning to use in its IRP and its Clean Energy Plan (CEP). As a participant in PacifiCorp’s pre-filing public engagement process, NewSun has raised these concerns with the utility. However, past experience has shown that utilities do not always meaningfully consider stakeholder suggestions or modify their plans based on feedback from stakeholders. PacifiCorp’s waiver request comes at a time when the Commission seeks to *improve* stakeholder involvement in the IRP/CEP processes and should not be granted.

Summary

Guideline 2(c) directs that “[t]he utility must provide a draft IRP for public review and comment prior to filing a final plan with the Commission.”¹ However, the Commission recently just directed utilities to report on the effectiveness of community engagement in the development of the IRP/CEP including that utilities should report on opportunities provided for community engagement, input that was received, how that input was incorporated into the IRP/CEP or what input was not incorporated and why that input was not incorporated.² Further, the Commission is poised to adopt new rules that could potentially require that a CEP be revised and resubmitted

¹ Order No. 07-002, Appendix A at 3.

² Order No. 22-390, Appendix A at 20.

even after filing if the Commission declines to acknowledge the CEP.³ These strides towards greater consideration of stakeholder input are encouraging.

However, granting PacifiCorp's request to waive the requirement to provide a pre-filing draft for stakeholder review and comment (and potential revision) moves in the opposite direction. The Commission should not grant it.

This is particularly concerning to NewSun given that HB 2021 also requires that CEPs be "technically feasible."⁴ For some time, NewSun has been concerned that utility assumptions particularly around the timeline feasibility of interconnection, transmission, permitting (including at the Energy Facility Siting Council), the National Environmental Policy Act, and development processes will result in the utility models "selecting" resources that are fundamentally not able to be procured within the timelines proposed by the plans and by omitting resource options that may be technically feasible and don't have the same timeline risk (like rooftop solar). These inaccurate or unreasonable assumptions could result in the utility models inappropriately favoring resources that the utility would own rather than resources developed by an independent third-party like NewSun or its affiliates. This self-dealing exposure is of critical importance at this juncture given the scale of procurements needed to meet HB 2021's targets and that this first CEP will lead to the utility requests for proposal (RFP) that will procure the lion's share of resources to meet the first 80% by 2030 target.

Specific Concerns

In particular, NewSun is concerned about the lack of transparency around key transmission projects and resource options on which PacifiCorp will rely and the related timeline assumptions, capacities, and costs. On transmission, NewSun is concerned that the assumptions on which PacifiCorp intends to rely are not defensible or accurate. And on resource options, NewSun is concerned that major choices, such as distributed generation on a large scale and economic-scale options for community-based resources have been omitted. Contrary to what PacifiCorp stated in its waiver request, the IRP roundtable meetings do *not* represent an effective replacement for the draft IRP step. NewSun does not agree that the above options, inputs, assumptions, and scenarios have been fully examined in the public meeting process. Specifically, NewSun is concerned that PacifiCorp will represent that something was discussed in the public process and attempt to use that to lead the Commission to the conclusion that the issue was fully vetted. Yet, NewSun's experience is that the process discussion does not fully get into the meat of the issues but only touches the surface. The draft IRP is essential to truly understand the details. Therefore, at this stage, NewSun believes that there has been insufficient scrutiny, examination, and modification of these key assumptions to justify skipping the draft IRP stage and moving to the formal filed-IRP process.

The draft IRP phase before formal IRP filing, is an important procedural component for the Commission and stakeholders. It gives an opportunity for guidance and input, as well as a basic

³ Order No. 22-477, Appendix A at 12.

⁴ ORS 469A.420(2)(b).

sniff test, before the utility moves forward further. This is only more important in the context of post-HB 2021 passage, with the first ever CEPs to be filed. This IRP and first CEP filing will determine the roadmap for utility compliance with HB 2021's first 2030 compliance deadline. Therefore, the Commission should not stifle public participation and input especially not at a stage in the process where changes from the public participation process can still be incorporated into the final IRP and especially with regard to the appropriate assumptions that would make a utility plan "technically feasible." This extra pass, extra process, to make sure the IRP and CEP come in as technically feasible as possible—and likely to be compliant with statute, with as much Commission and stakeholder input and scrutiny relative to statute as possible—is critically valuable.

Recommendations

NewSun recommends that the Commission recommend and require that:

1. PGE and PacifiCorp each extend their public meetings process, with an emphasis of re-reviewing, re-visiting, and revising their inputs for full transparency on key assumptions and ensuring a full suite of scenarios is examined that will allow the Commission and stakeholders to know that the full suite of options and choices *will actually get modeled*. This will help ensure that model outputs do not distort the conclusions, through omissions of entire resource options (like multi-hundred MW distributed generation solar photovoltaic options—which may be more affordable and more likely to be online with the necessary timeline than new expensive transmission unlikely to be timely built) or through reliance on assumptions that are not defensible for timelines and costs;
2. File a Draft IRP and CEP, with emphasis on defining and outlining the key scenarios, inputs, and assumptions, for scrutiny; then
3. Sending the utilities back to make improvements to the Draft IRPs and CEPs, based on initial formal input, scrutiny, and stakeholder and Staff feedback from the surrounding Draft IRP + CEP process. After this, updated Draft IRPs+CEPs can be re-filed, depending on circumstances and the volume of change required, or the utilities can move to the formal IRP filing phase;
4. Require that the utility report on which stakeholder recommendations made in the public input process were rejected or which were studied but then omitted from the IRP/CEP and;
5. Require that the utility report on how the IRP/CEP meets the policy goals in Section 2 that electricity be generated in a manner that provide additional direct benefits to communities in this state and that minimizes burdens to environmental justice communities, and Section 4 paragraph 6 to ensure the rapid reduction of greenhouse gas emissions.

The Draft IRP is an essential step in ensuring that the utility achieves the above goals,⁵ and will equip the Commission, Staff, and stakeholders to be better prepared to engage in the formal process once the IRP is filed and subject to the six-month filing deadlines in Commission rules. The Commission should make clear that it expects the utilities to incorporate and rely on reasonable and defensible technical and timeline assumptions regarding all inputs (i.e., not assuming the unrealistic) and that it expects these inputs to be presented in a transparent manner particularly for any solutions pointing to utility owned resources (whether transmission or generation). This approach will ensure these critical first CEPs will be as viable as possible and minimize utility self-dealing.

NewSun notes that the ratepayer exposures to utility self-dealing (given the many GW and many billions of assets that will be required for 100% clean) is unprecedented. And the lion's share of HB 2021 compliance will be procured from the first CEPs, and the following RFPs, to meet that steeper 80% by 2030 schedule. The Commission should err in favor of extra scrutiny of the IRP, its inputs and the quality of the plan, not lean back and hope for the best. The first CEP is essentially everything. If the utilities set Oregon on the wrong rails with these filings, it will be too late to fix it by the time the results come in, and failures are known. The Commission owes special scrutiny to this phase.

As such, the Commission should deny this request.

Closing Thoughts

Additionally, as a matter of process, if PacifiCorp has not done so already (it was not clear in their request), PacifiCorp should be required to provide notice of this filing with the new communities, stakeholders, and groups they have been and are required to engage with under HB 2021 and Commission guidance pursuant thereto. Simply filing this request in the docket governing PacifiCorp's *last* IRP is not likely to be sufficient to notify *new* stakeholder groups that may not be parties to this docket and who might be impacted by this request.

NewSun looks forward to continuing to work on these issues with Staff and stakeholders.

Sincerely,



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⁵ In addition, the draft IRP will be important to ensure that any changes that result from the Application for Reconsideration filed in Docket UM 2225, which is incorporated herein by reference, are implemented.