

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

LC 82

In the matter of

PACIFIC POWER, A DIVISION OF
PACIFIC CORP,

2023 Integrated Resource Plan and Clean
Energy Plan.

ROUND 1 COMMENTS OF NEWSUN
ENERGY LLC

I. INTRODUCTION

Pursuant to the Administrative Law Judge Ruling dated October 11, 2023, NewSun Energy LLC (“NewSun”) respectfully submits these Round 1 Comments on PacifiCorp’s 2023 Integrated resource Plan (“IRP”) and Clean Energy Plan (“CEP”) for consideration by the Oregon Public Utility Commission (“Commission”). PacifiCorp’s IRP and CEP require significant additional clarification and revision before acknowledgment. First, PacifiCorp’s obligation to meet HB 2021 emissions reductions requirements and to make continual progress towards those targets should not be excused by its decision to suspend its 2022 All Source request for proposal (“RFP”) process. Second, while significant energy resources are necessary to meet Oregon’s ambitious emissions reduction goals, ratepayers may be able to rely on existing capacity resources at least in the near term. As such, the novel and risky advanced nuclear resources should be removed from the preferred portfolio, and the model should utilize existing capacity resources to serve Oregon loads rather than being dispatched to other markets. Third, the Commission should decline to acknowledge PacifiCorp’s CEP until it demonstrates that the plan provides additional direct benefits to Oregon Communities as contemplated by HB 2021.

Fourth, PacifiCorp should address how local and distributed resources can meet or help meet HB 2021's targets where long-lead time transmission or resource options may not be available in time. Finally, PacifiCorp should provide the draft avoided cost filing as required by OAR 860-029-0080(3).

II. STANDARD OF REVIEW

The Commission reviews IRPs for compliance with its rules and IRP Guidelines.¹ Recently, the Commission partially waived IRP Guideline 1(c) for PacifiCorp and Portland General Electric Company to reflect that the primary goal of the IRP should no longer be limited to selecting the portfolio with the best combination of expected costs and associated risks and uncertainties, but in light of the passage of HB 2021 to also account for “the pace of greenhouse gas emissions reductions, and community impacts and benefits.”² Further, under HB 2021, the Commission's responsibility is to review PacifiCorp's inaugural CEP for compliance with the statutory criteria. The Commission must acknowledge the CEP if it is in the public interest and consistent with the clean energy targets set forth in ORS 469A.410.³ In evaluating whether the plan is in the public interest, the Commission shall consider:

- (a) Any reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits;
- (b) The economic and technical feasibility of the plan;
- (c) The effect of the plan on the reliability and resiliency of the electric system;
- (d) Availability of federal incentives;
- (e) Costs and risks to the customers; and
- (f) Any other relevant factors as determined by the commission.⁴

¹ *In re Pub. Util. Comm'n of Or Investigation into Integrated Resource Planning*, Docket No. UM 1056, Order No. 07-002 at Appendix A (Jan. 8, 2007) as corrected by Errata Order No. 07-047 (Feb. 9, 2007).

² *In re Pub. Util. Comm'n of Or., Request to Waive IRP Guideline 1(c) for Pacific Power and Portland Gen. Elec. For the First Clean Energy Plans*, Docket No. UM 2225, Order No. 23-060, Appendix A at 5 (Feb. 23, 2023).

³ ORS 469A.420(2).

⁴ *Id.*

The clean energy targets mandate that PacifiCorp reduce its GHG emissions by 80% below a 2010-2012 baseline by 2030, 90% by 2035, and 100% by 2040.⁵ The bill also provides that it is the policy of the State of Oregon for the retail electricity suppliers to rely on non-emitting power, that such electricity be generated in a manner that, to the maximum extent practicable, provides additional benefits in this state in the form of creating and sustaining meaningful living wage jobs, workforce equity, energy security and resiliency, and in a manner that minimizes burdens for environmental justice communities.⁶ Finally, this Commission is also charged with ensuring that electric companies demonstrate continual progress and are taking actions “as soon as practicable that facilitate rapid reduction of greenhouse gas emissions.”⁷

Procedurally, the Commission’s new rules regarding CEP acknowledgment provide that the Commission may either:

- (a) Acknowledge a CEP as filed;
- (b) Acknowledge a CEP with conditions; or
- (c) Not acknowledge the CEP and require that the utility revise and resubmit all or certain elements of the CEP within the procedural timeline directed in the order.⁸

NewSun has significant concerns that in failing to adequately meet the Commission’s IRP guidelines and the statutory CEP criteria, PacifiCorp does not present a viable path to meet the clean energy targets and therefore the Commission should not acknowledge this IRP/CEP without requiring PacifiCorp to revise and resubmit the CEP or at a minimum, conditioning its acknowledgement. These comments aim to prompt a more detailed analysis that clarifies the plan’s economic and technical feasibility, and to ensure it meets public interest requirements.

⁵ ORS 469A.410.

⁶ ORS 469A.405.

⁷ ORS 469A.415 (6).

⁸ OAR 860-027-0400(9).

III. COMMENTS

A. **PacifiCorp is Obligated to Progress Towards Oregon’s Emission’s Reduction Targets Regardless of Other Factors Influencing its Decision to Suspend its Ongoing RFP**

PacifiCorp recently announced the suspension of its 2022 RFP process right at the critical juncture when PacifiCorp would otherwise have been preparing to file its final shortlist of bids with the Commission.⁹ PacifiCorp cited to numerous factors leading to its decision to suspend its RFP including federal environmental and greenhouse gas regulations. What PacifiCorp neither cited to, nor provided any explanation of, however, was how such a suspension would influence or be influenced by Oregon’s own greenhouse gas reduction requirements. Yet, in filing its initial application for that RFP, PacifiCorp noted that the RFP was intended to acquire additional resources to address the emissions reduction requirements of Oregon HB 2021.¹⁰

PacifiCorp’s action item 2c in this IRP includes executing definitive agreements with winning bids from that 2022 All Source RFP by Q4 2023 for projects that are expected to achieve commercial operations by December 31, 2027.¹¹ Further, action item 2b contemplates PacifiCorp beginning the process in Q4 2023 to initiate a new 2024 RFP for resources that will come online by December 31, 2028.¹² Given the delay in PacifiCorp’s ongoing procurement process, it is unclear how these action items are impacted by and what effect that delay will have on PacifiCorp’s overall effort to comply with HB 2021.

Additional renewable energy will be necessary to meet the requirements of HB 2021.

PacifiCorp has many resource options pending before it in its ongoing RFP process and should

⁹ *In re PacifiCorp 2022 All-Source Request for Proposal*, Docket No. UM 2193, PacifiCorp Notice (Sept. 29, 2023).

¹⁰ Docket No. UM 2193, PacifiCorp’s Application to Open Independent Evaluator Selection Docket at 4 (Sept. 2, 2021).

¹¹ PacifiCorp 2023 IRP at 30.

¹² *Id.* at 29.

not miss the opportunity to contract with those resources. And, when 2030 rolls around, this delay should be no excuse for PacifiCorp's failure to comply with Oregon's emissions reductions targets. Rather, before acknowledging PacifiCorp's IRP or CEP, the Commission should require PacifiCorp to outline its path to compliance and how it plans to make continual progress towards meeting the emissions reduction requirements.

B. The Commission Should Require PacifiCorp to Remove Nuclear Resources from the Model and Allow Existing Capacity to Serve Oregon's Capacity Needs in The Near Term

NewSun echoes concerns about including the Natrium nuclear reactor in the preferred portfolio.¹³ An IRP should "include all known resources for meeting a utility's load" and to compare resources to ascertain risk.¹⁴ PacifiCorp proposes to include the 500 MW advanced nuclear Natrium project, projected to be online by 2030, and an additional 1,000 MW of additional advanced nuclear resources by 2033.¹⁵ Nuclear resources are notoriously unreliable from a development standpoint, and already PacifiCorp has had trouble obtaining high assay, low enriched uranium ("HALEU").¹⁶ This hiccup has already delayed the project. History should inform the Commission that nuclear development has never been timeline viable and has suffered from major cost overruns.¹⁷ These advanced nuclear resources are new and unproven, and therefore, they are even less likely to be on time and on budget than other historical nuclear developments. There should, therefore, be an overwhelming burden on PacifiCorp to prove the economic and technical feasibility of these resources. And absent that proof, the Commission should simply require that the resource be removed from the model and allow the model to select

¹³ See OSSIA Round 0 Comments.

¹⁴ Order No. 07-002, Appendix A; Errata Order No. 07-047, Appendix A.

¹⁵ PacifiCorp 2023 IRP at 308.

¹⁶ OSSIA Round 0 Comments at 4.

¹⁷ *Id.* At 5.

other resources that are proven and likely to actually be online and within budget to meet Oregon's HB 2021 emissions reduction targets.

Additionally, NewSun is concerned about PacifiCorp's proposed treatment of existing capacity resources and gas plants. There is a cost, and sometimes quite a high cost, to ratepayers for acquiring new emissions-free capacity resources, but existing capacity resources already included in rates can still fill important capacity needs for Oregonians in the near term. Emphasis in the near-term should be focused on reducing overall annual emissions by acquiring new renewable energy resources, and utilizing existing capacity resources at the times when that capacity is most needed. Here too, the burden should be on PacifiCorp to prove why its proposed pathway is better from a cost and risk and GHG reduction standpoint.

C. The Commission Should Decline to Acknowledge PacifiCorp's CEP Until it Demonstrates that the Plan Serves the Public Interest by Providing Additional Direct Benefits to Oregon Communities.

Before acknowledging an IRP, the Commission must find the plan is in the public interest.¹⁸ Policy statements in HB 2021, along with other statutory factors, should guide the Commission in its public interest determination. For example, ORS 469A.405(2) provides that:

[It is the policy of the State of Oregon...] [t]hat electricity generated in a manner that produces zero greenhouse gas emissions also be generated, to the maximum extent practicable, in a manner that provides additional direct benefits to communities in this state in the forms of creating and sustaining meaningful living wage jobs, promoting workforce equity, and increasing energy security and resiliency.¹⁹

Will PacifiCorp's CEP create and sustain meaningful living wage jobs in Oregon communities, promote workforce equity in Oregon, and increase the energy security and resiliency for Oregon communities? PacifiCorp's plan has not addressed these critical questions, and the Commission should require it to do so before acknowledging the plan.

¹⁸ ORS 469A.420(2).

¹⁹ ORS 469A.405(2).

D. PacifiCorp Has Not Adequately Addressed Local Alternatives to Large Out of State Resources or Reliance on Long Lead Time Transmission.

As noted above, PacifiCorp's reliance on unproven nuclear resources poses a risk to meeting greenhouse gas reduction requirements in a timely and cost-effective manner.

Additionally, PacifiCorp understands the challenges expanding and upgrading transmission pose.

Rick Vail, PacifiCorp's Vice President of Transmission, stated in a Senate Interim Committee on Energy and Environment Meeting on September 28th regarding transmission projects:

Some of the projects that PacifiCorp has permitted have taken up to 15 years at the federal and state level to permit before we can even turn dirt. **We do not have 15 years if we're going to meet clean energy goals.**²⁰

Therefore, NewSun remains concerned that Oregon's reliance on resources that are more distant, that may have more cost overruns, or that may have long lead times will result in a portfolio that is not economically or technically feasible as required by Oregon law. Therefore, PacifiCorp's plan should address what alternative resources could be procured locally and closer to loads in Oregon that could meet HB 2021's requirements within the time permitted. NewSun implores the Commission to condition acknowledgement on inclusion of projected timelines as well as on modelling alternative avenues like procuring more distributed generation as a substitute for new and upgraded transmission or large out of state resources, like Natrium.

E. PacifiCorp Has Not Provided Draft Avoided Cost Information Required under OAR 860-029-0080(3).

NewSun recommends that the Commission decline to acknowledge PacifiCorp's IRP until PacifiCorp provides the draft avoided cost information required under OAR 860-029-

²⁰ Oregon Legislature, Senate Interim Committee on Energy and Environment on Sept. 28, 2023 (starting at 2:05:43) (emphasis added) available at <https://olis.oregonlegislature.gov/liz/2023I1/Committees/SEE/2023-09-28-11-30/Agenda>

0080(3) and the Commission should condition any acknowledgement on PacifiCorp providing the same in future IRPs.

Stakeholders should not be required to sift through the hundreds of pages and numerous data files to recreate or develop information necessary for the calculation of avoided costs. To ascertain avoided costs using this information would require extensive time and calculation on an individual's part. Rather, the Commission's rule vests that responsibility with the utility: "Each public utility must file with the Commission draft avoided-cost information at the time it files its integrated resource plan and file final avoided-cost information within 30 days of a Commission decision of acknowledgement of the integrated resource plan to be effective 30 days after filing."²¹ The information required to be provided in draft form at the time of IRP filing should be identical in structure and format to that which is provided in final form within 30 days after the Commission's acknowledgement decision (which PacifiCorp files in Docket No. UM 1729). As such, the Commission should direct PacifiCorp to file the appropriate draft avoided costs prices, decline to acknowledge PacifiCorp's IRP until they have done so, and condition any acknowledgement decision on PacifiCorp providing the same in future IRPs.

IV. CONCLUSION

Achieving the mandates set by HB 2021 hinges on the successful formulation of this IRP. Considering these serious implications, NewSun urges the Commission to make IRP acknowledgment contingent on PacifiCorp's implementation of the above clarifications and changes.

Dated this 25th day of October 2023.

Respectfully submitted,

²¹ OAR 860-029-0080(3).

NEWSUN ENERGY LLC

A handwritten signature in black ink that reads "Marie P. Barlow". The signature is written in a cursive style and is positioned above a horizontal line.

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