



Oregon Citizens' Utility Board

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April 14, 2022

Via electronic filing

Scott Gibbens
Public Utility Commission of Oregon
201 High St. SE
Salem, OR 97301

Re: *UM 2143 – Investigation into Resource Adequacy in the State – Comments of the Oregon Citizens' Utility Board on Staff Report*

Dear Mr. Gibbens:

The Oregon Citizens' Utility Board (CUB) appreciates the opportunity to provide comments on Staff of the Public Utility Commission of Oregon's (Staff) Report detailing its initial analysis of the status of Resource Adequacy (RA) in the state to inform the direction of the UM 2143 policy investigation. CUB particularly appreciates Staff's hard work in analyzing the informational filings made by Load Responsible Entities (LREs) to determine whether urgent, binding action was necessary to ensure near-term RA in the state.

CUB is confident in the rigor of Staff's initial analysis of LRE informational filings and supports Staff's finding that there is not a need for near-term implementation of a binding RA program for Oregon. This finding enables parties to begin to focus on the contours of long-term solution detailed in Staff's October 15, 2021 process proposal,¹ which CUB continues to support at a high level.

While there is not an anticipated near-term capacity shortfall, many key issues remain that must be addressed in the next phase of the RA investigation. For example, CUB continues to believe it is important to determine the time needed for LREs to target and acquire new capacity resources. This will provide insight into which LREs are currently paying for capacity, and to what extent LREs may or may not be reliant on each other to procure capacity under the current paradigm. This proceeding should examine whether, and to what extent, capacity subsidization is occurring between Oregon LREs.

In addition, Staff's proposal provides time for the Western Resource Adequacy Program (WRAP) to gain operational experience. The Commission has a core, non-delegable responsibility to ensure reliable service for Oregon's investor-owned utility customers. The Commission cannot delegate that responsibility to the WRAP absent a thorough investigation

¹ <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah145744.pdf>

and subsequent finding that the WRAP will help result in reliable service. CUB envisions that this proceeding will investigate that issue, and will also investigate whether it is in the public interest for Oregon LREs to participate in the WRAP. While the WRAP is currently formatted as a voluntary program with binding commitments once operational, the Commission has the authority to make WRAP participation mandatory for LREs that operate under its regulatory umbrella. CUB looks forward to that discussion in this proceeding. Further, the UM 2143 should seek to integrate efficiencies gained in the WRAP process into the RA paradigm in the state. For example, through pooling resources in the WRAP, participating entities may be able to meet RA requirements while utilizing a lower planning reserve margin (PRM). A lower PRM leads to customer cost savings. Oregon's RA framework should seek to maintain reliability in the state in the least cost, least risk manner. Staff, stakeholders, and the Commission should strive to minimize costs to customers in formulating an RA framework.

Finally, this proceeding should seek to build on lessons learned from the WRAP process, and should not spend significant time duplicating efforts undertaken at the WRAP that prove to be well-functioning. Instead, UM 2143 should seek to identify gaps in the WRAP's capacity framework that may be ameliorated by actions taken at the state level. Additionally, the process should seek to leverage work conducted in as many other Commission processes as possible, including utility Integrated Resource Plans, forthcoming Clean Energy Plans, and other HB 2021 reporting requirements imposed on LREs. As Staff notes, the proper mechanisms and analysis to use to determine RA compliance in the future should be a topic of focus in the later phase of this investigation.

Once again, CUB appreciates Staff's hard and thoughtful work throughout this proceeding.

Sincerely,



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