

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2143

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON

Investigation into Resource Adequacy

**PORTLAND GENERAL ELECTRIC
COMMENTS ON STAFF
UPDATED DRAFT RESOURCE
ADEQUACY RULES PROPOSAL**

Portland General Electric Company (PGE or the Company) submits these comments in UM 2143 *State Investigation into Resource Adequacy* (RA) in response to the Public Utility Commission of Oregon (Commission or OPUC) Staff’s *Updated Draft Resource Adequacy Rules Proposal* circulated August 11, 2023.¹ Staff’s updated proposed rules follow comments provided by stakeholders on July 21, 2023 and build on Draft Rules and Updated Draft Rules circulated by Staff on May 18, 2023 and June 30, 2023 respectively.

PGE continues to support a state-level RA framework that includes a recurring informational RA filing for all Commission-regulated entities and a binding compliance program for Commission-regulated entities that are not part of a regional program such as the Western Power Pool (WPP) Western Resource Adequacy Program (WRAP).

PGE appreciates Staff’s thorough process to develop these draft rules and continued responsiveness to stakeholder feedback. PGE supports Staff’s intent to bring these draft rules to the Commission at the September 21, 2023 public meeting to move to the formal rulemaking phase.

In these comments, PGE addresses Staff’s specific invitation to stakeholders to provide thoughts regarding an RFO for capacity products and procedural treatment of the topic of a capacity backstop. PGE supports Staff’s decision to not include Calpine’s proposal for a capacity RFO. In previous comments, CUB and PacifiCorp both provided compelling arguments regarding the challenges and risks presented by a resource adequacy backstop charge, and these concerns should also be carefully considered in the context of other forms of capacity sharing programs.²

¹ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, August 11, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah153342.pdf>

² UM 2143, CUB Comments on Staff’s Updated Draft Resource Adequacy Rules Proposal, July 21, 2023: “Resource Adequacy Backstop Charge” at 1-2, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac17627.pdf> and PacifiCorp’s Comments on Staff’s Draft Rules, July 21, 2023 regarding standardized resource adequacy backstop charge at 2, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac15310.pdf>.

PGE supports all four concerns identified by Staff regarding the capacity RFO proposal and offers the following summary of several specific aspects of how the proposal would undermine the WRAP's effectiveness.

Calpine's proposal is inconsistent with WRAP and compromises the important objective of consistent requirements for all WRAP participants by imposing unique requirements on entities serving load in Oregon. The proposed requirement to WRAP-participating Oregon utilities to forecast their capacity position and conduct an RFO up to a year in advance of an Operating Day goes against the WRAP. The WRAP, not PGE, determines whether PGE has sufficient capacity to meet its forecasted load obligations and Forward Showing requirements. While PGE may be able to forecast if it will meet the WRAP's requirements, PGE will not have a definitive determination until the WPP board has certified the forward showing results.

Additionally, Calpine ignores opportunities within the WRAP to trade load obligations. If Calpine wishes to have its load obligation met by another party, the WRAP offers a mechanism for other WRAP participants – not just Oregon utilities – to provide this service. This mechanism pulls from a far larger pool of potential capacity and does not raise the same competitiveness and fairness issues as Calpine's proposal.

As this abbreviated discussion shows, consideration of the details of the RFO proposal raises crossover issues to DA policy. PGE agrees with Staff that these issues would need to be considered in detail in UM 2024 to ensure that any potential creation of an Oregon-specific marketplace outside of the WRAP would not put Oregon WRAP participants and their customers at a disadvantage, potentially increasing prices and raising reliability concerns.

In summary, PGE supports moving forward with the draft rules without further consideration of Calpine's proposal. PGE appreciates the continuing efforts by Staff and stakeholders to develop effective resource adequacy rules and looks forward to moving to formal rulemaking.

Respectfully submitted this 28th day of August 2023.

/s/ Sh a y La Br a y

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Enclosures:

cc: Riley Peck