

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2143

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation into Resource Adequacy in
Oregon.

Comments of
Renewable Northwest & NW Energy
Coalition

Apr. 14, 2022

I. INTRODUCTION

Renewable Northwest & NW Energy Coalition (“Joint Parties”) thank the Oregon Public Utility Commission (“the Commission” or “PUC”) and the OPUC Staff (“Staff”) for the opportunity to provide comments on Staff’s initial analysis report of the status of Resource Adequacy (RA) in the state to inform the direction of the policy investigation. We appreciate the underlying work and effort that went into the Staff’s report. In these comments, we provide our initial thoughts on the report and reiterate our support for a long-term resource adequacy standard for all load-responsible entities (“LRE”) in Oregon aligned to the regional Western Resource Adequacy Program (“WRAP”). We also support opening a rulemaking to explore and refine the Staff’s proposed long-term RA solution.

II. BACKGROUND

The Joint Parties have been actively engaged in conversations around resource adequacy, both in the context of state and regional level frameworks. Prior to the November 16, 2020 Oregon PUC (OPUC) workshop on Resource Adequacy (RA), Renewable Northwest (RNW) along with NW Energy Coalition (NVEC) and Oregon Solar + Storage Industries Association (OSSIA) submitted joint comments to stakeholders, previously submitted to the Northwest Power Pool’s (NWPP) regional RA program Steering Committee on the conceptual design of the program. In our comments and in the Oregon PUC workshop, we stated that *any state-level RA program developed in Oregon should primarily include all load-serving entities (LSE) including electricity service suppliers (ESS) to ensure that all capacity resources are identified and included to provide a holistic view of the any potential needs in the state.*

Additionally, we also stated previously that a state-level RA program in Oregon should be aligned with the regional program that was under-development at that time, but also ensure that all capacity resources are transparently and fairly assessed w.r.t to their capacity value including but not limited to renewables, standalone energy storage, hybrid and demand response.

In December 2020, RNW and OSSIA submitted a joint proposal¹ to the Oregon PUC staff that addressed in further detail the primary components of a robust state-level process to initiate further discussions and review. In our comments, we mentioned that “[t]he Commission should initiate a robust stakeholder process to understand and analyze the capacity needs in OR, utility procurement efforts, and put forward a framework to align a potential state-level RA compliance mechanism with NWPP’s regional RA program”, now Western Power Pool’s Western Resource Adequacy Program (WRAP). With WRAP now closer to deployment, now is the opportune time to develop a state-level solution that is aligned with the regional program but also has components which allow state regulators to gain insights about the capacity situation in their respective states. One of the avenues to gain that granular insight was to conduct a preliminary analysis of the resource adequacy situation in Oregon and we appreciate Staff’s effort in laying out the current state of the load & resource balance in Oregon in their recent report.

The Joint Parties have also engaged in the WRAP development process as members of the stakeholder advisory committee and submitted comments on some of the program design elements especially pertaining to capacity contribution of resources, transmission and deliverability². It is worth noting here that WPP addressed some of the concerns regarding transmission and deliverability by formulating a detailed exception methodology. We look forward to participating in the program development as part of the WRAP Nominating Committee (NC) and the Program Review Committee (PRC) and share insights gleaned from those conversations into development of a comprehensive state-level solution.

¹ Renewable Northwest and Oregon Solar + Storage Industries Association - Joint Proposal on Resource Adequacy. https://drive.google.com/file/d/1FDvk5ovkNj1fNd19sJqbm5aP5enb3E_D/view?usp=sharing

² Joint PIO Feedback on Western RA Program’s Detailed Design. https://www.westernpowerpool.org/private-media/documents/01_2021-09-15-WRAP_Phase_2B-Joint_PIO_Comments3.pdf

III. COMMENTS

The Joint Parties have structured these brief comments around Staff's report which includes an initial analysis of the status of resource adequacy in Oregon. In our previous comments, we suggested a preliminary analysis of the informational filing data submitted to the Western Resource Adequacy Program (WRAP) by Oregon's load-responsible entities including the investor-owned utilities and electricity service suppliers.

We previously advocated for and supported Staff's belief "[t]hat gathering data about the RA landscape before opening a rulemaking is the most efficient, transparent, and flexible next step." As mentioned in our prior comments to the staff, understanding the resource adequacy landscape for all load-serving entities in Oregon from the lens of load-resource balance would afford the opportunity to tailor a solution to the need instead of a prescriptive approach from the beginning before all facts emerge. The current status of RA and the potential gaps which emerge from the informational filing can then inform whether Oregon requires a long-term RA solution that is formulated in a formal rulemaking by the PUC or an interim solution. As shown in Staff's deterministic analysis, the load-resource balance for 2022 and 2027 does not necessitate the need for near-term implementation of a binding RA program for Oregon.

We also support Staff's assertion that further analysis and review focused on regional resource adequacy programs would be beneficial and that the RA investigation should focus on complementary resource adequacy framework at the state level that could identify any seams issues in comparison to the regional adequacy framework for the next phase. Although Staff wasn't clear on the threshold on what constituted a "need for urgent, binding action", based on the initial analysis, the load-resource balance for 2022 and 2027 clearly shows that there is no urgent capacity needed in Oregon that necessitates creation of an RA standard in the near term. Over the long-term, with rapid changes in Oregon's resource mix due to HB 2021, a resource adequacy framework should be created that values clean energy resources fairly and ensures procurement is aligned with capacity needs.

It is worth noting that although Staff's analysis took a deterministic approach, there might be tight conditions during some hours which may be revealed when considering a probabilistic look of load forecasts, weather, hydro flows, transmission limitations, thermal outages and renewable energy generation. These would be typically addressed in an integrated resource plan (IRP) modeling and analysis. The report also does not have implications related to implementation of HB 2021 which would be material for LREs in Oregon. The WRAP provides a framework for LREs in Oregon and other states across the west to tap into the regional resource and load diversity to ensure 1) LREs are bringing sufficient capacity before summer and winter seasons

(forward showing) and 2) excess capacity can be exchanged efficiently during times when some entities are facing tight system conditions (operational program). While the merits of the load forecasting and capacity contribution methodologies in the RA program can be debated later, the uniformity provided by the WRAP is a good starting point in encouraging LREs in Oregon to comply with state-specific RA standards and ensure that the entities irrespective of their participation in WRAP are held to a common standard.

We also support Staff's belief that leveraging other resource adequacy proceedings like Northwest Power & Conservation Council, WECC and EPRI would be crucial. We would also like to recommend the work Energy Systems Integration Group (ESIG)³ has done recently, especially recommending study of chronological grid operations and correlated events in the context of RA. The six principles stated by ESIG could be critical to define RA for future power systems with increasing penetration of renewable energy and energy storage resources.

IV. CONCLUSION

The Joint Parties again thank the Commission for this opportunity to comment on Staff's report on investigation into resource adequacy in Oregon. We look forward to engaging with Staff and stakeholders as we develop a long-term RA framework for Oregon in the subsequent rulemaking.

Filed this 14th day of April, 2022,

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³ Redefining Resource Adequacy for Modern Power Systems. Energy Systems Integration Group.
<https://www.esig.energy/resource-adequacy-for-modern-power-systems/>

