

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**

INTRODUCTION

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 June 30, 2023.¹ Staff’s updated proposed rules follow a June 30, 2023 stakeholder workshop² at which stakeholders discussed their responses³ to Staff’s *Draft Resource Adequacy Rules Proposal* circulated May 18, 2023.⁴ 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).⁵

PGE’s comments initially respond to Staff’s invitation to provide comment on: ways to reword the informational transmission forward showing to better convey Staff’s intent; when decertification should be an available penalty for a non-compliant electricity service supplier

¹ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, June 30, 2023, available at:

<https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

² UM 2143, Staff Workshop, April 6, 2023, Notice available at:

<https://edocs.puc.state.or.us/efdocs/HAH/um2143hah103025.pdf>

³ See UM 2143, PGE Comments on Staff Draft Resource Adequacy Proposal, June 12, 2023, available at:

<https://edocs.puc.state.or.us/efdocs/HAC/um2143hac161012.pdf>

⁴ UM 2143, Staff Draft Resource Adequacy Rules Proposal, p2, May 18, 2023, available at:

<https://edocs.puc.state.or.us/efdocs/HAH/um2143hah10434.pdf>

⁵ Staff’s resource adequacy proposal establishes new key definitions: “Regional Participant” means an electrical investor-owned utility (IOU) or electricity service supplier (ESS) – collectively load serving entities (LSEs) – participating in a regional reliability planning program such as the WPP WRAP; “State Participant” means an LSE that is not participating in a regional resource adequacy program such as the WRAP; “Informational Filing” means a “non-binding discussion” of an LSE’s (both Regional and State Participants) resource adequacy plans over a four-year period; and “State Program” means the binding two-year RA compliance program administered by the OPUC for State Participants.

(ESS); Staff’s attempt to address the extensive confidentiality concerns raised by load serving entities (LSEs); and “potential capacity backstop deadbands or other solutions to easily share capacity between entities.”⁶ PGE then responds to the substantive changes in the updated draft rules, followed by general comments on the rule language per the structure of the June 30, 2023, filing.

I. INFORMATIONAL TRANSMISSION FORWARD SHOWING

Staff’s updated draft rules still state that electric companies’ and ESSs’ Informational Filings must include:

“A monthly forecast of transmission requirements over a period of the greater of four years or the longest available timeline from a Qualified Regional Program using methods consistent with the output of a Regional Program’s Advisory Forecast.”⁷

Staff seeks to rework this language to capture its intent to “have entities discuss how transmission constraints or acquisitions on the four-year horizon feed into resource adequacy concerns or actions.”⁸ PGE suggests the following straightforward language:

~~“A monthly forecast of transmission requirements over a period of the greater of four years or the longest available timeline from a Qualified Regional Program using methods consistent with the output of a Regional Program’s Advisory Forecast. A discussion of the interactions between transmission plans, acquisitions, or constraints and overall resource adequacy strategy over the next four years.”⁹~~

II. ESS DECERTIFICATION

PGE continues to support consideration of ESS decertification as a potential penalty for repeated failures to cure an RA deficit in the State Program.¹⁰ The Company welcomes Staff’s request for more guidance on the availability of this penalty.¹¹ As PGE has articulated further in prior comments, the WPP WRAP forward showing deficiency charge structure factors in the maximum

⁶ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p2, June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocus/HAH/um2143hah165216.pdf>

⁷ *Id.* p5 §(3)(c)(ii) and p6 §(4)(d)(ii)

⁸ *Id.* p2

⁹ *Id.* p5 §(3)(c)(ii) and p6 §(4)(d)(ii)

¹⁰ See UM 2143, PGE Comments on Staff Draft Resource Adequacy Proposal, p4, June 12, 2023, available at: <https://edocs.puc.state.or.us/efdocus/HAC/um2143hac161012.pdf> and PGE’s Comments on Staff’s Updated Process Proposal for Continuation of UM 2143, p9, March 13, 2023, available at: <https://edocs.puc.state.or.us/efdocus/HAC/um2143hac161058.pdf>

¹¹ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p2, June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocus/HAH/um2143hah165216.pdf>

(capacity and/or transmission) deficiency, whether there are multiple deficiencies within a single binding season, and whether there are multiple deficiencies across a forward showing year (a Summer Season and the following Winter Season).¹² The WRAP also has an Operational Program, which is a mechanism for sharing capacity during operating days that leverages the regional diversity of participating loads and resources.¹³ A review is triggered to determine if a participant should be expelled from the WRAP if that participant is called upon to hold back capacity for another participant but fails to deliver twice and no other participant is able to cover the shortfall.¹⁴ Similarly, the State Program could consider a timely review of an ESS's certification if the entity fails to cure an RA deficiency for a second time.

III. CONFIDENTIALITY CONCERNS

PGE appreciates Staff drafting additional language to address the extensive confidentiality concerns expressed by stakeholders. Staff's updated rule language proposes defining "Qualified Parties" as "any Commission Staff and any representatives of the Citizens' Utility Board, who executed a modified protective order" and that "[t]he Regional Forward Showing must be provided to Qualified Parties" by electric companies and ESSs.¹⁵ Staff propose defining "Regional Forward Showing" as "any data, forecasts, or submittals required by a Qualified Regional Program to support program compliance by a Regional Participant."¹⁶

PGE recommends that the definition of "Qualified Parties" be "~~any~~ **limited to** Commission Staff and any representatives of the Citizens' Utility Board, who executed a modified protective order" to ensure that no additional parties can try to access sensitive WRAP data. In addition, PGE suggests that "[t]he Regional Forward Showing must be provided to Qualified Parties **upon request**" in order that parties only receive confidential information they have asked for.

Section 16 of the WRAP tariff explains the extent of the information required in a participant's forward showing submittal: monthly peak demand, resources and WRAP calculated qualifying capacity contribution (QCC), contracts, demand response programs, planned outages, and transmission service reservation information and mapping source to sink.¹⁷ PGE suggests that stakeholders consider whether the forward showing summary (which takes all of the data and

¹² UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, pp5-6, June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

¹³ WPP WRAP, Detailed Design, March 2023, p31 §3.1, available at: https://www.westernpowerpool.org/private-media/documents/2023-03-10_WRAP_Draft_Design_Document_FINAL.pdf

¹⁴ *Id.* p156 §2.5

¹⁵ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p5 §(3)(b) and p6 §(4)(c), June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

¹⁶ *Id.* p4 §(2)(g)

¹⁷ WRAP Tariff of Northwest Power Pool doing business as Western Power Pool, §16 available at: https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf

processes it into a transmission demonstration and capacity requirement position) would serve Qualified Parties needs instead of the entire forward showing submission.

IV. CAPACITY SHARING

As discussed at the workshops on April 6 and June 30, 2023, PGE continues to support Staff's opposition to "establishing a standardized resource adequacy backstop charge."¹⁸ In its updated proposal, Staff request comment on the idea of "potential capacity backstop deadbands or other solutions to easily share capacity between entities."¹⁹ Staff note the idea for a capacity backstop deadband was "floated in the workshop" and related to a potential range of allowable capacity backstop charges or conditions that govern when a utility could be required to make excess capacity for sale in a bilateral contract.²⁰ PGE opposes unnecessary artificial bilateral contract constraints (and requirements to provide capacity to State Participants) due to concerns about hindering competition, wholesale market transparency, impacts on the fundamental drivers of negotiation, and stakeholder relationship dynamics. Furthermore, imposing deadbands around bilateral contracts would not be in the best interest of cost-of-service customers as the transaction would not be optimized for their benefit,

In addition, requiring electrical companies to make excess capacity available to ESSs in the State Program would likely have negative ramifications for the WRAP. Under the WRAP, Regional Participants will be required to take part in the WRAP Operations Program and must be ready to holdback surplus capacity to meet the capacity shortfalls of other Regional Participants on a rolling weekly basis during binding seasons.²¹ Requiring Regional Participants to also make 'excess capacity' available to the State Program would likely hinder the WRAPs capacity sharing mechanism and undermine the regional program's ability to leverage the resource and load diversity in its footprint.

V. SUBSTANTIVE CHANGES

1. Expanded Definition of Resource Adequacy

PGE proposed the definition of RA be expanded beyond operational considerations to include "the planning actions that are undertaken to ensure load can be served in the future."²² Staff's

¹⁸ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p2, June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

¹⁹ *Id.*

²⁰ *Id.*

²¹ WPP WRAP, Detailed Design, March 2023, p131 §(3) Operational Design, available at: https://www.westernpowerpool.org/private-media/documents/2023-03-10_WRAP_Draft_Design_Document_FINAL.pdf

²² UM 2143, PGE Comments on Staff Draft Resource Adequacy Proposal, p7, June 12, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac161012.pdf>

updated proposal now defines RA as the “expected ability of a Load Serving Entity to supply aggregate electric power and energy to meet the requirements of their consumers at all times with a sufficient degree of reliability and plan[ing] to meet future demand with sufficient supply-side and demand side resource.”²³ PGE is grateful for Staff’s expanded definition and suggests striking out “at all times” to capture the fact that State participants will be planning toward a one outage event in ten-year reliability planning standard rather than one hundred percent reliability.²⁴

2. Alignment of State Program Methodologies with WRAP

In previous comments PGE, expressed its support for using the updated WRAP Detailed Design²⁵ document and FERC-approved WRAP Tariff²⁶ to inform State Program methodologies and rule language.²⁷ PGE is grateful to Staff for further aligning the planning reserve margin (PRM), qualifying capacity contribution, and penalty methodologies with those of the WPP WRAP:

“State Participants must use a Planning Reserve Margin and Qualified Capacity Contribution consistent with a Qualified Regional Program or other Commission-approved methodology.”²⁸

and

“The Commission shall [...] base its fine on the prevailing fining methodology of a Qualified Regional Program.”²⁹

3. Expanded Counterflow Transmission Exception

PGE has previously recommended including additional language regarding counterflow of an eligible resource, informed by the explanation provided in the updated WRAP Detailed Design document that it must be a “direct and proportional counterflow transmission” that supports delivery of capacity from a qualifying resource to load and that “the counterflow must be directly between two BAAs [balancing authority areas].”³⁰ As discussed in Section V.2, PGE supports alignment of State Program methodologies with the WRAP. PGE again suggests including language to define a counterflow exception only when it is directly between two BAAs, as shown

²³ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p4 §(2)(e), June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

²⁴ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p6 §(5)(b), June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

²⁵ WPP WRAP, Detailed Design, March 2023, available at: https://www.westernpowerpool.org/private-media/documents/2023-03-10_WRAP_Draft_Design_Document_FINAL.pdf

²⁶ WRAP Tariff of Northwest Power Pool doing business as Western Power Pool, available at: https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf

²⁷ See UM 2143, PGE Comments on Staff Draft Resource Adequacy Proposal, pp2,3,8, June 12, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac161012.pdf>

²⁸ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p6 §(5)(c), June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

²⁹ *Id.* p7 §(5)(k)

³⁰ UM 2143, PGE Comments on Staff Draft Resource Adequacy Proposal, p8, June 12, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac161012.pdf>

graphically in Figure 1. PGE recommends amending Staff’s updated proposal in Section (5)(h)(iv) to state, “Expected counterflow **directly between two balancing authority areas** [...]”.

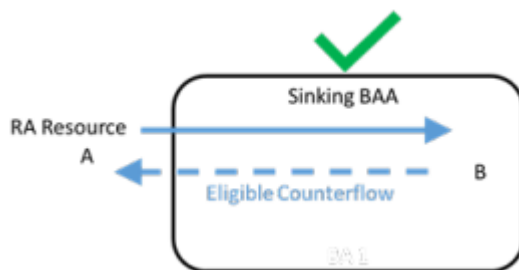


Figure 1-WPP WRAP graphic showing that counterflow must be directly between two BAAs. Other counterflow examples that involve three or more BAAs as sources and sinks do not qualify as WRAP transmission exception.³¹

Brookfield Renewable Trading and Marketing (BRTM) supported the inclusion of the counterflow transmission exception and recommended, “[t]o the extent that another transmission user—regardless of participation in Oregon or regional RA programs—is expected to transmit electricity over a transmission line in a manner that acts as a counterflow to the State Participant’s transmission of electricity, the State Participant should be permitted to employ the exception.”³² Staff’s updated proposal now states:

“Expected counterflow from another ~~State Participant~~entity supports the State Participant’s transmission of energy from generation source to load sink. This counterflow cannot already be offsetting transmission of energy for another State Participant or Regional Participant.”³³

PGE does not oppose this language to the extent that a State Participant is not permitted to claim counterflow that is also being used to offset transmission from other entities in the State Program or in a Qualified Regional Program. PGE also recommends adding rule language adapted from

³¹ WPP WRAP, Detailed Design, p78, March 2023, available at: https://www.westernpowerpool.org/private-media/documents/2023-03-10_WRAP_Draft_Design_Document_FINAL.pdf

³² UM 2143, Comments of BRTM LP, p7, June 12, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac151644.pdf>

³³ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p7 §(5)(h)(iv), June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>

the WRAP tariff on counterflow: “The State Participant requesting the exception shall include a written acknowledgement from the other entity that it is aware of such an exception request.”³⁴

PGE has also requested that the draft rules include language explicitly limiting the repeated use of waivers to address the same transmission issue.³⁵ To further align with the WRAP, PGE recommends adding language at the end of Section (5)(h) that states: “A State Participant cannot use waiver condition (i) [enduring transmission constraints] or (ii) [future firm available transfer capability is expected] for the same portion of the transmission requirement in subsequent years.”³⁶

4. State Program Loss-of-Load-Expectation

PGE has previously advocated for the state-level framework’s resource adequacy metric to align with that of WRAP³⁷, and therefore appreciates Staff’s clarification that State Participants shall plan to a 1 event-day in 10 years loss-of-load expectation (LOLE).³⁸

CONCLUSION

PGE looks forward to further discussing Staff’s updated draft resource adequacy rules proposal, and stakeholder responses, at a future workshop.

Respectfully submitted this 21st day of July 2023.

/s/ Sha y La Br a y

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Enclosures:

cc: Riley Peck

³⁴ See WRAP Tariff of Northwest Power Pool doing business as Western Power Pool, available at: https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf

³⁵ UM 2143, PGE Comments on Staff Draft Resource Adequacy Proposal, p8, June 12, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac161012.pdf>

³⁶ See WRAP Tariff of Northwest Power Pool doing business as Western Power Pool, p54 §16.3.2.1-2, available at: https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf

³⁷ UM 2143, PGE Comments on Staff’s Resource Adequacy Report, p2, November 21, 2022, available at: <https://edocs.puc.state.or.us/efdocs/HAC/um2143hac131838.pdf>

³⁸ UM 2143, Staff Updated Draft Resource Adequacy Rules Proposal, p6 §(5)(b), June 30, 2023, available at: <https://edocs.puc.state.or.us/efdocs/HAH/um2143hah165216.pdf>