



Oregon Public Utility Commission  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

December 3, 2021

Re: UM 2197, PGE's Distribution System Plan

Oregon Solar + Storage Industries Association (OSSIA) and the Oregon Coast Energy Alliance Network (OCEAN) respectfully provide the following comments regarding Portland General Electric's (PGE) Distribution System Plan (DSP). OSSIA AND OCEAN appreciate the effort that PGE has put into their DSP, especially the extensive stakeholder outreach and workshops they conducted. We look forward to working with them to fully implement their DSP in order to move toward a grid that is innovative, equitable, and fully integrated with distributed energy resources (DERs).

Overall PGE's DSP is promising; the narrative points to increasingly community-centered, grid modernization effort. However, OSSIA AND OCEAN are troubled by the discrepancy between the narrative laid out and the actual commitments PGE makes to upgrade its grid. OSSIA AND OCEAN respectfully ask the Commission to request important changes in PGE's DSP in the following areas:

### **Distributed Energy Resources (DERs) Integration**

PGE's DSP narrative pledges to move quickly toward more DER integration and carbon reduction. However, other provisions in the DSP that show "limited generation feeders" not being upgraded for additional distributed energy resources (DERs) until 2025<sup>1</sup>. These feeders that are at capacity today and PGE is moving toward discontinuing the two-meter solution for solar connected to those feeders. PGE has known about this problem for two years and has not upgraded their system to accommodate additional solar, which would make it a full seven years since they learned of the problem before fixing it. That lag time contradicts PGE's pledge to lead energy transformation. In addition, in section 7.4.6 of the DSP PGE pledges to proactively make distribution system investments in anticipation of smart inverters.<sup>2</sup> OSSIA AND OCEAN appreciate the pledge to be proactive in modernizing the grid and ask that PGE begin now, with upgrading areas of the grid that are currently constrained. Similarly, PGE rates its current grid management system at a three out of five; it is unclear how they determined this rating, when their system is at capacity in many places.<sup>3</sup>

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<sup>1</sup> PGE Distribution System Plan, Part 1, October 2021, p. 111

<sup>2</sup> PGE Distribution System Plan, Part 1, October 2021, p. 163

<sup>3</sup> PGE Distribution System Plan, Part 1, October 2021, p. 95



In addition, PGE should be aware of potential inequities as forecasts may be based on assumptions about the adoption of DERs in less affluent neighborhoods. These forecasts should integrate market and policy developments that are leading to new market dynamics and participation. DER forecasting should include a robust stakeholder process with Energy Trust of Oregon, Federal Emergency Management Administration and Oregon Department of Energy regularly contributing to policy and funding development impacts and the roles that they are designed to play in equilibrating a just, safe and equitable energy market.

### **Cost Effectiveness**

OSSIA AND OCEAN agree with PGE's recommendation that the PUC lead the discussion on cost-benefit analysis options<sup>4</sup>. OSSIA AND OCEAN are extremely concerned that PGE is using the Resource Value of Solar (RVOS) in its cost-effectiveness tool<sup>5</sup>, after the Commission clearly told the utilities during the discussion of UM 1912 that RVOS was not to be used in other dockets. Oregon's RVOS is lower than nearly, if not all, other states. Indeed, in most states the value of solar is higher than the retail electricity rate. If PGE is using RVOS in its cost-effectiveness tool, the tool will be inherently flawed and ratepayer dollars will be wasted on the tool. OSSIA AND OCEAN urges the Commission to immediately request PGE to revisit their cost-effectiveness methodology for DERs and have a larger stakeholder process regarding cost effectiveness. PGE should not be creating methodology for cost-effectiveness on their own, without Commission, stakeholder or community input. For example, PGE continues to omit the grid and community and resiliency benefits that solar and storage provide. In their net metering report, they fail to mention any benefits of net metering in their statement that non-participating customers are subsidizing net metering customers. Net metering decreases demand on the grid, reduces carbon emissions, and when paired with storage provides local resilience. The RVOS does not fully incorporate the full grid and community benefits from DERs and therefore should not be used in any cost-effectiveness tool.

Portfolio refinement and cost effectiveness evaluations should be modernized through collaborations with the work of our National Labs and industry trade allies whom are actively engaged in applying best science to available technology based on transparent, third party vetted data sets and methodologies.

OSSIA and OCEAN echo Northwest Energy Coalition's (NVEC) concerns regarding overall spending on system upgrades. It is very discouraging to see that PGE's investments for system upgrades for both reliability and capacity have decreased in recent years, as the need for those investments has increased.

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<sup>4</sup> PGE Distribution System Plan, Part 1, October 2021, p. 96

<sup>5</sup> PGE Distribution System Plan, Part 1, October 2021, p. 103



### **Locational Benefits**

OSSIA AND OCEAN are encouraged to see PGE acknowledge the locational benefits of DERs<sup>6</sup> and encourages them to move more quickly to evaluate locational benefits of DERs in order to fully realize the benefits for communities. Oregon's RVOS is a prime example of the fallacy that local generation is generally not the lowest cost, lowest risk solution. This misrepresentation is rooted in the outcomes of evaluation tools and planning forecasts currently used by our investor owned utilities to do not consider 1) the savings to rate payers of deferring or negating new transmission investments required to import larger quantities, 2) the loss of electricity through our transmission along import lines (as much as 1/3<sup>rd</sup> of our electricity is wasted through potentially wildfire inducing heat losses along transmission corridors between resources located out-of-state and the electrically isolated south coast of our state), 3) the reduced risk of wildfire through reduced reliance on transmission of imported electricity (direct business and property loss as well as loss of life), and 4) the reduced exposure to service interruptions due to transmission failure or preventative safety shut offs (which result in loss of commerce, education, safety and healthcare services).

We urge PGE to gain from the experiences and tools that other jurisdictions, our national labs and trade allies have been successfully developing as modern, robust and transparent assessment and planning tools capable incorporating these fiscal and grid resilient implications based on a more comprehensive and accurate evaluation of costs and values of our contemplated energy investments. For example, we refer again to a recent study funded by Vote Solar and others with the use of a sophisticated grid modeling tool, called WIS:dom-P which is an acronym for "weather-informed energy systems for design, operations and markets planning".

The study examined and quantified the opportunities to reduce electric system costs created by smart development and use of distributed generation as well as modifications to customer demand these technologies enable. Cost reduction opportunities include transmission and distribution infrastructure deferrals, reduced utility-scale capacity and generation, peak load reduction and increased customer load factors. The cumulative system-wide savings across the United States through 2050 ranged from \$301 billion to \$473 billion depending on societal decarbonization goals adopted through 2050. WIS:dom-P was developed by Vibrant Clean Energy LLC. and is but one example of a readily available tool that "uses more and better data, analyses the total costs of the energy we put on the grid and accurately values local resource and storage to help regulators make informed decisions about the right energy mix..." PUC staff should have the resources regularly available to provide independent assessment of grid planning and investment done on behalf of Oregon's ratepayers. This assessment and planning tool should be nimble, articulate, affordable, updated and able to reflect the full costs and values of individual and community level energy security and climate adapted grids.

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<sup>6</sup> PGE Distribution System Plan, Part 1, October 2021, p. 162



### **Hosting Capacity Analysis (HCA)**

OSSIA AND OCEAN have strong concerns with PGE's HCA estimates and plans. OSSIA AND OCEAN support the Interstate Renewable Energy Council (IREC) comments regarding HCA and urges the Commission to look to other states – particularly California and Nevada – for HCA best practices, cost-effectiveness and methodology. One HCA in California cost tens of millions of dollars less than what PGE has estimated. This issue deserves more Commission and stakeholder attention before PGE moves forward with its plan.

### **Integration with Integrated Resource Planning (IRP)s**

While this is the first DSP created by PGE, OSSIA AND OCEAN encourage PGE to work toward fully integrating the DSP with their IRP which is a 20-year timeframe as opposed to the five-year timeframe of DSP. Continual refinements should bring together IRP and DSP processes to ensure that stakeholder input is integrated at the beginning of a more closely intertwined planning process. As PGE moves toward bringing their planning processes together, OSSIA AND OCEAN encourages an adjustment of legacy forecasting methods using the five, ten, and 20-year historical peak loads, given that we have entered into a period greater peaks than we've previously experienced, at increasing frequencies, that are not captured in the five or 10 year historical loads.

Given the urgency of our needs to update our grid in support of truly safe and reliable power and the critical role that transparent and comprehensive data sets play in that collaborative transition, we hereby request that staff confer with counterparts at the California PUC regarding the efficacy and affordability of implementing and maintaining fully transparent and accessible modern Hosting Capacity Analysis. We also suggest that staff consider a workshop in UM2005 in the first quarters of 2022 where stakeholders, staff and commissioners could benefit from overviews and findings of rapidly emergent and readily available DSP, TSP and HCA standards and tools adopted by other jurisdictions facing similar statutory and code objectives.

### **Community Engagement and Environmental Justice**

OSSIA AND OCEAN echo the comments of Verde, Coalition of Communities of Color (CCC) and Institute for Market Transformation (IMT) that DSPs should be human-centered.

Specifically, equity indicators should be included in any HCA in order to ensure that grid modernization is prioritized in communities that have been left behind. In addition, we support Verde, CCC and IMT's comments to include using a community benefits screening as opposed to a traditional cost-effectiveness tool, as cost-effectiveness alone will not provide a full understanding of community benefits.

While PGE did conduct stakeholder engagement on their DER readiness map, the current map does not reflect the feedback. OSSIA and OCEAN urge PGE to more closely mirror Pacificorp's map, which is more user friendly and gives the right level of detail.



### **Enforcement**

OSSIA AND OCEAN request that the Commission strongly consider enforcement mechanisms to the DSP. OSSIA AND OCEAN fear that the promises made in the DSP may quickly be negated by inaccurate cost-effectiveness arguments that do not consider community benefits, carbon reduction and emergency preparedness. PGE must be held to the spirit of their DSP plan and their pledge for grid transformation and not be held back by their shareholders. OSSIA AND OCEAN urge the Commission to closely monitor PGE's investments to ensure maximum tangible benefits for communities instead of investing in expensive software that has not been vetted by the Commission or stakeholders.

OSSIA AND OCEAN look forward to working with the Commission, PGE and stakeholders to ensure that the DSP is carried out with the fullest benefit to Oregon's communities while maximizing carbon reduction.

Sincerely,

A handwritten signature in black ink that reads "Angela Crowley-Koch".

Angela Crowley-Koch  
Executive Director  
OSSIA

A handwritten signature in black ink that reads "Shannon Souza, P.E.".

Shannon Souza, P.E.  
Executive Director  
OCEAN