

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2274**

In the Matter of

PORTLAND GENERAL ELECTRIC,

PGE 2023-All-Source Request for Proposals,
Request for Partial Waiver of Competitive
Bidding Rules

OREGON SOLAR + STORAGE INDUSTRIES
ASSOCIATION COMMENTS ON PGE’S DRAFT
RFP SUPPLEMENTAL FILING

The Oregon Solar + Storage Industries Association (“OSSIA”) timely submits these comments on Portland General Electric’s (“PGE”) 2023 Draft Final All-Source Request for Proposals (“RFP”). For the reasons laid out below, OSSIA recommends Portland Renewable Resources (“PRR”) not be involved in the current RFP and that additional changes are necessary to the pro forma Power Purchase Agreement (“PPA”).

I. Comments

OSSIA is opposed to allowing PRR to be involved in the 2023 RFP, as there are substantial questions remaining that need to be resolved prior to the affiliate being involved in the process. The RFP was already delayed unexpectedly due to the affiliate proposal, despite PGE’s initial request that the RFP move forward on an expedited schedule. Further delays to shore up shortcomings in the affiliate’s ability to be on a level playing field with third party bidders is further unnecessary delay. Accordingly, the Commission should deny PRR’s ability to participate in the current RFP and should require PGE work with stakeholders to resolve lingering issues before their next RFP.

The overview of affiliate activity and supplemental filing don't adequately address the risks associated with a company contracting with itself. There is still substantial doubt about PGE will effectively enforce a force majeure clause or delivery guarantees against its own affiliate. Resolving potential damages now provides certainty for the market, while a ratepayer may be protected from inadequate damages in a later rate case, third party bidders must account for damages in their bids to ensure they are not taking on too much risk. For example, damages from Section 3.1.16 require liquidated damages for failing to meet Guaranteed Commercial Operation Date are \$200/kW of PV Capacity and \$200 per kW of Storage Capacity. Third party bids will factor those costs into their bid prices. To protect the market, more adequate assurances are necessary to ensure damages are treated the same between third parties and benchmark bids.

OSSIA has issues with the proforma contract, which are raised by the organization of the affiliate. Given how central this contract will be in upcoming procurement and affiliate activities in RFPs, a closer look at contract terms is necessary to ensure fair competition. As this document will be the same for third party developers and PRR in its negotiations with PGE, it is appropriate to examine the pro forma PPA before moving forward with the RFP.

PGE is going to be choosing between a PPA with a third or a PPA with its own affiliate. If the pro forma PPA is inadequate for developers, it advantages the affiliate. The form PPA is important to get right because it is the basis at which bids will be compared to affiliate bids. It is the yardstick standard at which different bids will be measured. For example, an area of the pro forma PPA that should be reexamined is Section 9.2 Security/Credit Support. OSSIA recommends adding an option for a surety bond and reducing the security per MW from \$200 to \$100. PRR will presumably rely on its parent company for security in the PPAs it negotiates with PGE. Accordingly, third party developers should have additional options to meet these criteria.

Storage should not require additional security at a 1:1 ratio, instead the price should adjust upwards by 20% for DC coupled storage and 50% for AC coupled storage. Additional sections of the pro forma PPA will be examined in OSSIA's subsequent comments in this docket.

Dated this 17th day of November 2023.

Respectfully Submitted,

Oregon Solar + Storage Industries Association

A handwritten signature in black ink, appearing to read 'Jack Watson', is positioned above the typed name.

Jack Watson
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