ORDER NO. 22-390

ENTERED Oct 25 2022

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2225

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Near-term guidance on Roadmap Acknowledgement and Community Lens Analysis the first Clean Energy Plans.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED WITH ADDITIONAL DIRECTION

This order memorializes our decision, made and effective at our October 6, 2022 Special Public Meeting, to adopt Staff's recommendation with additional direction.

We appreciate the value of Staff, interested parties and stakeholders coming together to have a shared view on so many aspects of this first Clean Energy Plan filing. By approving Staff's initial expectations for the development of the roadmap of actions and goals and Community Lens analysis, and by directing PacifiCorp, dba Pacific Power, and Portland General Electric Company to consider this guidance in developing each utility's first Clean Energy Plan (CEP) filings, we intend to bring clarity regarding how the utilities should approach the plan.

With respect to the new analyses and studies described in these expectations, particularly the Community Benefits Indicators and the Community Lens Study, we anticipate that the Commission, stakeholders, and utilities will learn about the feasibility of these expectations after this first CEP filing. In the event that a utility is unable to meet any of those expectations encompassed by this order, we expect a full explanation of why doing so was infeasible or impractical. Such an explanation is likely to be helpful in the Commission's determination of whether to acknowledge a CEP that may have fallen short of these expectations.

Staff is directed to bring the normalized revenue requirement concept in the second tranche of issues. We are supportive of Staff's approach as described in Topic #5, "Resiliency-Specific Guidance," but we will wait to approve any interim guidance until after Staff brings it forward in a formal waiver request with respect to IRP guidelines, with refinements to the interim guidelines reflecting the discussion during the Special Public Meeting.

The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Oct 25 2022.

Megan W. Decker
Chair

Letha Tawney
Commissioner

Mark R. Thompson
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: October 4, 2022

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: September 28, 2022

TO: Public Utility Commission

FROM: Caroline Moore

THROUGH: Bryan Conway

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2225)
Near-term guidance on Roadmap Acknowledgement and Community Lens Analysis the first Clean Energy Plans.

STAFF RECOMMENDATION:

Approve Oregon Public Utility Commission (OPUC or Commission) Staff's initial expectations for the development of the roadmap of actions and goals and Community Lens analysis and direct PacifiCorp (PAC) and Portland General Electric (PGE) to consider this guidance in developing each utility's first Clean Energy Plan (CEP) filings.

A clean version of Staff's final recommendations is provided in Attachment 1.

DISCUSSION:

Issues

1. Whether the Commission should approve Staff's initial expectations summarized in Attachment 1 for:
    a. The development of the roadmap of actions and goals in the first CEP
    b. The Community Lens Analysis conducted in the first CEP
2. Whether to direct PAC and PGE to consider this guidance in developing each utility's first Clean Energy Plan (CEP) filings.

Applicable Rule or Law

Oregon House Bill (HB) 2021, codified as ORS 469A.400 to 469A.475, requires the state's large investor-owned utilities (IOUs), PAC, and PGE, and electricity service suppliers (ESSs) to decarbonize their retail electricity sales with consideration for direct benefits to local communities. The emissions reduction targets established under ORS 469A.410 require electric companies to reduce greenhouse gas emissions as follows:

- By 2030, 80 percent below baseline emissions level.
- By 2035, 90 percent below baseline emissions level.
- By 2040 and beyond, 100 percent emissions-free.

The foundation of HB 2021's decarbonization framework is the development of Clean Energy Plans by the large IOUs. ORS 469A.415(1) and (2) requires IOUs to, "develop a clean energy plan for meeting the clean energy targets set forth in ORS 469A.410 concurrent with the development of each integrated resource plan," and file the plan with the OPUC and Oregon Department of Environmental Quality (DEQ).

Under ORS 469A.415(4), the Clean Energy Plan (CEP) must, among other requirements, provide annual goals for making continual progress toward the clean energy targets listed above and include certain metrics and analyses that are new to the Integrated Resource Planning process. ORS 469A.415(5) describes the actions and investments that may be proposed in a CEP and ORS 469A.420 outlines the requirements and considerations for the Commission to acknowledge the CEP "if the commission finds the plan to be in the public interest and consistent with the clean energy targets..."

In addition, ORS 469A.415(6) requires the Commission to ensure that the utilities demonstrate continual progress within the CEP planning period toward meeting the clean energy targets and are taking actions as soon as practicable to reduce emissions at reasonable cost to retail electricity consumers.

Requirements for Integrated Resource Plans (IRPs) are provided in OAR 860-027-0400. Per OAR 860-027-0400(2), IRPs must satisfy the requirements of Commission Order Nos. 07-002, 07-047, and 08-339.

Under OAR 860-027-0000(2), any of the Division 27 rules may be waived for good cause by the Commission upon request or its own motion.

Analysis

Background
The Commission opened Docket No. UM 2225, Investigation into Clean Energy Plans, on January 11, 2022. The Investigation into Clean Energy Plans is the Commission's first major HB 2021 implementation activity, both because the CEP is HB 2021's key regulatory mechanism for implementation of the emissions reduction targets prior to 2030 and because the first CEP filings are anticipated as early as March 2023.

OPUC Staff (Staff) launched the investigation by circulating an initial scoping questionnaire, followed by a launch workshop to refine and prioritize the issues for Commission guidance prior to the first Clean Energy Plans.[1] After the scoping process, Staff released a work plan for UM 2225 on April 4, 2022.[2] The work plan is designed to prioritize the most important near-term recommendation to bring to the Commission while facilitating meaningful input and shared learnings, including the following works streams:

Work stream	Objective	Status
1. Planning Framework	Answer threshold questions about how the first Clean Energy Plans fit into the planning landscape among Integrated Resource Plans (IRP) and Distribution System Plans (DSP).	On May 31, 2022, the Commission adopted Staff's threshold "Planning Framework" proposal:[3] • CEP filed with IRP (Commission exception for undue burden) • CEP consistent with the IRP analysis and IRP Action Plan. • CEP describes how the IRP and CEP have met HB 2021 requirements. • Utilities will provide annual updates on utility actions and progress toward the annual goals described in the CEP with IRP update. • No action on compliance penalties in UM 2225.
2. Roadmap Acknowledgement	Clarify expectations for the roadmap of decarbonization actions presented in the CEP, including the annual goals and metrics, considerations for CEP acknowledgment, and reporting progress in line with annual goals.	Identified as one of the two the most critical areas for near-term guidance prior to the first CEPs, this was combined with Community Lens analytical guidance for presentation to the Commission on Oct. 4, 2022.

[1] Docket No. UM 2225, Staff's Investigation Launch Announcement, January 11, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAA/um2225haa142050.pdf.
[2] Docket No. UM 2225, Staff's Work Plan Announcement, April 4, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah91948.pdf.
[3] See Docket No. UM 2225, Commission Order No. 22-206, June 3, 2022.

3. Engagement and Other Procedural Issues	Establish procedural requirements for the Clean Energy Plans. This includes an informal process to ensure the utilities are taking a reasonable approach to engagement during development of the first CEP and to establish basic procedural rules for the filing, review, and acknowledgement of the CEP at the OPUC.	Utilities finalized their Planning Engagement Strategies August 4, 2022.[4,5] Staff postponed the timeline to publish draft procedural rules for the OPUC process until the Commission considers Roadmap Acknowledgement proposals related to non-acknowledgement and annual update requirements. Staff currently plans to circulate draft rules Oct. 11, 2022.
4. Community Lens Analysis	Clarify analytical expectations for implementing CEP requirements related to: risk-based resiliency analysis [ORS 469A.415(4)(c)], offsetting fossil fuels with community-based renewable energy analysis [ORS 469A.415(4)(d)], and, generally, the need to begin incorporating community-based resources and community benefits into utility planning analysis.	Identified as one of the two the most critical areas for near-term guidance prior to the first CEPs, this was combined with Roadmap Acknowledgment guidance for presentation to the Commission on Oct. 4, 2022. Additional information on industry standards and best practices for resiliency analysis is captured in Sept. 7, 2022 Grid Lab Modernization Consortium report (tailored to integrated resource planning applications).[6] Staff will present the report and its key takeaways to the Commission at a November 2022 Public Meeting.
5. Analytical improvements	Using any remaining time, create opportunities for shared learning and identify any near-term needs to adapt current IRP analytical practices to HB 2021, such as modeling requirements, scoring criteria and other metrics, futures and scenarios, portfolios, data transparency and standardization, and other analyses or supplemental information.	In the time available, there were three topical workshops and Staff has circulated proposals for near-term guidance in those areas: -planning for decarbonization targets -treatment of fossil fuel resources -data transparency and attribution[7] This second set of near-term guidance is scheduled to be brought before the Commission at the November 1, 2022 Public Meeting.

[4] Id., PacifiCorp's Oregon Clean Energy Plan Updated Engagement Strategy, August 4, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah161643.pdf.
[5] Id., Updated Clean Energy Plan (CEP) Engagement Strategy from Portland General Electric Company, August 4, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah165755.pdf.
[6] Id., Staff's Resiliency Planning Standards and Practices, September 7, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah113046.pdf.
[7] Id., Staff's Analytical Improvements Straw Proposal, September 6, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah123338.pdf#page=3.

The purpose of this Staff report is to present Staff's recommendations for guidance under the Roadmap Acknowledgment and Community Lens Analysis work streams to the Commission for consideration. Staff greatly appreciates the insights and perspectives provided by workshop participants and in written comments that shaped the Staff recommendations in this report. Staff developed these recommendations based on the following process.

Date	Action	Notes
4/26	Written comments in response to Staff's Community Lens questionnaire[8]	Responses were received from: Energy Advocates [The NW Energy Coalition, Climate Solutions, Spark Northwest, Oregon Solar + Storage Industries Association (OSSIA), Multnomah County Office of Sustainability, and Rogue Climate]; The Coalition of Communities of Color, Rogue Climate, Verde, Multnomah County Office of Sustainability, and Sierra Club; Oregon Citizens' Utility Board (CUB); PAC; PGE; Renewable Northwest (RNW); and Swan Lake pumped hydro storage project (Swan Lake).
6/10	Written comments in response to Staff's Roadmap Acknowledgment questionnaire (Attachment 2)[9]	Responses were received from: 3Degrees; Alliance of Western Energy Consumers (AWEC); Center for Resource Solutions (CRS); CUB,OSSIA; PGE; PAC; RNW; and The Energy Advocates.
6/29	Staff hosted a workshop on the questionnaire responses, tested areas of alignment and sought feedback where there was a lack of clarity or differing opinion.	
8/9	Staff published its straw proposal for Roadmap Acknowledgement and Community Lens Analysis near-term guidance	
9/6	Staff received comments on its straw proposal	Comments received from: AWEC[10]; CUB[11]; The Energy Advocates[12]; GEI, Climate Solutions, and MCAT[13]; Kathy Moyd[14]; OSSIA[15]; Pacific Ocean Energy Trust (POET)[16]; PAC[17]; PGE[18]; and RNW[19]

[8] Id., Staff's Community Lens Questionnaire, April 4, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah91948.pdf#page=15.
[9] Id., Staff's Roadmap Acknowledgement Questionnaire, May 20, 2022. See Attachment 2.
[10] AWEC Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac175853.pdf.
[11] CUB Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac164436.pdf.
[12] Energy Advocates Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac164925.pdf.
[13] GEI, Climate Solutions, and MCAT comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac17132.pdf.
[14] Kathy Moyd's comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac171423.pdf.
[15] OSSIA Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac18422.pdf.
[16] POET Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac135635.pdf.
[17] PAC Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac163914.pdf.
[18] PGE Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac16422.pdf.
[19] RNW Comments, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/um2225hac17413.pdf.

The remainder of this Staff report describes Staff's final recommendations for Roadmap Acknowledgement and Community Lens Analysis guidance based on this feedback.

Staff Strategy for Near-term CEP Expectations
Staff's objective in developing the Roadmap Acknowledgement and Community Lens Analysis is to clarify expectations for the most critical CEP requirements in HB 2021 in advance of the first CEP. There is limited time to take the actions required to comply with HB 2021 and Staff believes that bringing these expectations before the Commission can help avoid a major mismatch in expectations that sets us back in making progress toward the state's goals.

Staff's approach in the near-term is to bring forward recommendations that balance expectations for rigor and accuracy with considerations for timelines, administrative burden, and the accessibility of the content presented in CEPs.

The proposals described below are focused on *minimum* expectations for the *first* CEP and accompanying IRP. Expectations and guidance for CEPs, IRPs, DSPs, and other related efforts are expected to evolve as parties work through the first CEPs and associated implementation efforts.

Roadmap Acknowledgement Proposal
Staff's initial straw proposal for the Roadmap Acknowledgement Policies is included in Attachment 2. It outlines Staff's initial proposal of key expectations for the roadmap of decarbonization actions and goals presented in the first CEP. It covers the following topic areas:

1. CEP planning and acknowledgement horizons
2. Annual goals for actions
3. Annual metrics measuring the impacts of actions
4. Greenhouse gas reporting, verification, and compliance in planning
5. Continual progress and IRP cost/risk framework
6. Considerations in CEP acknowledgement
7. Non-acknowledgment, partial acknowledgment, and conditional acknowledgement of the CEP, and interdependencies with IRP acknowledgement
8. Annual update

Staff appreciates the questions, concerns, and alternatives proposed in comments and offers the following revisions and clarifications for its Roadmap Acknowledgement Proposal. The remainder of this section describes Staff's proposal, feedback received, and Staff's final recommendation to the Commission for the first CEP.

Staff notes that changes to its initial straw proposal are provided in blue for convenience.

Topic 1. CEP Planning and Acknowledgement Horizons

HB 2021 requires that the Clean Energy Plan incorporate the clean energy targets set forth in Section 3 of the 2021 Act and include annual goals for actions that demonstrate progress towards meeting those targets. However, HB 2021 does not designate a specific planning and acknowledgement horizon for the CEP and the annual goals for action within the CEP. Staff's Straw Proposal sought to align the planning and acknowledgement horizons in the CEP with the IRP. A near-term (two to four-year) acknowledgement window focuses scrutiny on the actionable steps that can be undertaken or initiated between planning cycles. The longer (20 plus-year) analysis horizon ensures that near-term actions are aligned with long-term objectives and achieving the clean energy targets set forth in HB 2021.

Stakeholder Comments

Stakeholders generally agreed with Staff's straw proposal. However, Energy Advocates, Renewable Northwest (RNW), and OSSIA expressed concern regarding the flexibility of the guidance to accommodate consideration of long lead time resources. RNW specifically suggested that the guidance include the additional clarifying language regarding long lead time resources: "Utilities may request acknowledgement of, and the Commission may use its discretion to acknowledge, long-lead-time resources without requiring the Action Plan to include all resource actions over the next 10 years."[20]

Staff's Response

Staff continues to believe that adopting a two to four-year acknowledgement window does not preclude a utility from requesting acknowledgment of new transmission infrastructure or near-term steps to pursue that transmission infrastructure. Staff agrees with RNW that additional guidance could make this clearer.

> ***Staff's final recommendation:***
> *The first CEP should include analysis and annual goals over at least 20 years and CEP acknowledgment should focus on the annual goals in the first 2-4 years to align with the IRP analysis and acknowledgment horizons. Utilities may identify, and the Commission may use its discretion to acknowledge, resource actions outside of the Action Plan window.*

[20] RNW Comments, p. 2.

Topic 2. Annual Goals for Actions

HB 2021 §4(4)(b) states that the annual goals for actions must include, "acquisition of non-emitting generation resources, energy efficiency measures and acquisition and use of demand response resources." In addition, HB 2021 §4(5) states that:

> Actions and investments proposed in a clean energy plan may include the development or acquisition of clean energy resources, acquisition of energy efficiency and demand response, including an acquisition required by ORS 757.054 [cost effective energy efficiency], development of new transmission and other supporting infrastructure, retirement of existing generating facilities, changes in system operation and any other necessary action.

Staff's Straw Proposal sought to clarify expectations for the range and level of detail of actions that are most meaningful to specify in the first CEP, which includes those listed in HB 2021 as well as energy storage, community-based renewable energy projects (CBREs), resiliency projects, and voluntary renewables.

Staff also sought to clarify that actions in the CEP should focus on those associated with emissions reductions, but conceded that there could be distribution system investments, such as undergrounding lines, that may be included in costs of resource actions such as microgrids.

Stakeholder Comments

On the topic of resource types, stakeholders generally agree with the types of resource actions for which annual goals should be provided. The Energy Advocates suggested that the straw proposal should emphasize energy efficiency and demand response and that Staff should explain why building electrification measures are not included as potential actions.

PAC suggested that annual goals should not be so granular as to restrict procurement flexibility and that goals should be presented over the acknowledgement horizon, rather than annually, to allow for more timing flexibility within the Action Plan window.

PGE suggested that resiliency projects should not be separately listed as different types of actions may bring resiliency benefits without being pursued specifically for resiliency. PGE also disagreed that annual goals should differentiate between voluntary resources and system resources. PGE instead suggested that this information would be provided as part of the utility's acquisition plans if the utility planned to pursue voluntary or customer-supported renewables through "program-based acquisition strategies".

POET suggested that transmission actions should be specific and include detailed information, that operational changes should include those related to regional integration efforts, and that the use of renewable-derived fuels, like hydrogen, should be included.

On the topic of distribution investments, PAC, Energy Advocates, and RNW suggested that the annual goals should not include distribution system plan (DSP) actions. PAC cited confidentiality concerns and timing misalignment with the ongoing DSP and WPP processes. Other Stakeholders cited implications for attribution of distribution costs to HB 2021 in future cost cap decisions. PGE did not support including the distribution investment language but noted that "the CEP…may present select distribution investments as CEP actions."

Staff's Response
Staff agrees with the Energy Advocates that energy efficiency and demand response should be emphasized within the utility's planning processes, especially to the extent that these actions can provide additional benefits to communities, including resiliency value. Staff does not believe that modifications to the proposed guidance are required to support this.

With regard to building electrification, Staff notes that the list of resource actions in the straw proposal guidance is not exhaustive and does not preclude additional actions that may bring benefits to the system and to communities served by the utility. However, these actions may increase load in different ways and may not have a direct emissions reduction value under the HB 2021 framework. Staff sees building electrification as too new and uncertain to specify it as an action type in the first CEP.

Staff agrees with PGE that resiliency projects may not be a distinct class of action that is worth separating from community-based renewable energy or other system or voluntary resources and believes that removing this language will improve clarity.

Staff agrees with POET that operational changes related to regional integration and renewable-derived fuels could be important parts of the utility's plan. Staff addressed these items further in the scenario analysis proposed in the Analytical Improvements Straw Proposal and does not believe that they need to be specifically addressed in this language.

With regard to resource action specificity, Staff suggests that the utilities align the specificity of annual goals with the specificity of planned actions. For example, a different level of specificity may be appropriate for an all-source RFP than a planned transmission project. Under Staff's expectations, if the utility is planning to conduct an

all-source RFP that achieves multiple objectives with non-emitting resources, including providing capacity, clean energy, or other values such as RECs, the utility should include annual goals for each of those objectives, rather than annual goals for specific resource types. If the utility's plans are resource-specific, more resource-specific annual goals should be provided.

Staff does not agree with PGE's assertion that voluntary renewables should not be differentiated from system resources in annual goals. It is important that the CEP provide enough information for the Commission and the public to understand the implications of the utility's plans for customers—both customers who may choose to participate in a voluntary program and customers who do not. Staff appreciates that it may be challenging to forecast the growth of customer-supported renewable energy programs, but notes that annual goals in the CEP are just that—goals. As actual actions unfold, the utility may need to shift their strategy and rely on more or less customer-supported renewable energy than they had hoped to achieve. This could look like adjusting procurement sizes or the balance between system and customer-supported renewables within procurement outcomes. Staff does not believe that providing annual goals in the CEP restricts the utility from making these types of adjustments, but it does provide the Commission and the public with an important sightline into the utility's high-level strategy.

Staff appreciates the discussion regarding distribution investments in the CEP and shares the concerns raised in comments and has removed this language for clarity.

Finally, annual goals will need to be provided with annual granularity and not on a cumulative basis across the Action Plan window to allow meaningful evaluation of continual progress and to align with the language in HB 2021.

> ***Staff's final recommendation:***
> *For the first CEP, annual goals should be provided for all resource actions in each portfolio evaluated in the IRP. Resource actions include, at a minimum: clean energy resources, energy storage, energy efficiency, demand response, resource retirements, changes in system operations, transmission and other supporting infrastructure, and community-based renewable energy projects~~, and resiliency projects~~.*
>
> *For the first CEP, annual goals for clean energy resources and storage should differentiate between system resources and resources that the utility expects to acquire through voluntary customer or community programs.*

~~*If distribution system upgrades are required for the utility's planned resource actions, these investments should be clearly described and their costs should be included in the evaluation of the associated actions.*~~

Topic 3. Annual Metrics Measuring the Impacts of Actions

The investigation contemplated whether annual goals should be limited to the actions themselves or should address the impacts of those actions. Staff's initial proposal outlines the most important metrics to consider in portfolio analysis and to accompany the annual actions in the first CEP, including emissions reduction goals, rate impact information (that is accessible to the public), and community impact information. These metrics align with the priorities for the decarbonization transition highlighted in HB 2021 and will paint a clearer picture of the options considered and the resulting roadmap of actions to meet HB 2021 targets.

Stakeholder Comments

Stakeholders generally supported the inclusion of annual metrics in the CEP (Energy Advocates, RNW, PAC, and PGE), though some raised concerns regarding the specific metrics and the language proposed by Staff. PAC noted that providing annual metrics for each portfolio in the IRP could be cumbersome and suggested that the metrics be provided for the Preferred Portfolio and a limited set of alternative portfolios.

Both PAC and PGE objected to reporting an "average rate" measured as the revenue requirement divided by retail sales, noting that it may be misleading and differ from actual rate changes. PAC suggested that the utilities instead report the annual revenue requirement to provide information about how costs may change over time.

Most stakeholders supported the reporting an interim set of Community Benefits Indicators (CBIs), (Energy Advocates, Renewable Northwest, OSSIA, POET, and PAC), for annual actions in the first CEP. The Energy Advocates and OSSIA suggested that the CBIs should be attributable to specific actions, not just reported at the portfolio level. POET suggested that Staff should develop the initial metrics, subject to amendments by environmental justice communities. PGE stated that "a focused approach to CBIs that builds on DSP processes and informs targets for DERs and CBREs…is appropriate for the first CEP" but suggested removing the language from Staff's expectations for reporting annual metrics for the annual actions in the roadmap in the first CEP.

Staff's Response

Staff appreciates the concern regarding the number of portfolios for which these metrics are provided. The purpose of providing these metrics across multiple portfolios is to help the Commission and the public understand the implications of the utility's plan relative to other options. In particular, these metrics may differ across portfolios with different

paces of GHG reductions and different amounts of CBREs. Staff seeks to provide a balance of rigor, efficiency, and accessibility and believes that meaningful comparisons can be achieved without reporting these metrics for all portfolios, but that the utilities should identify a subset of portfolios that test different paces of GHG reductions and different amounts of CBREs to report these metrics across in order to make them meaningful.

With regard to the average rate metric ($/kWh), Staff notes that this metric serves two purposes: 1) it provides high-level information about how costs may change over time, which could be especially important in evaluating different paces of GHG reductions; and 2) it provides this information in a unit that is meaningful to the public compared to total NPVRR or annual NPVRR change over time. PAC's proposal may address the first objective, but not the second. Normalizing the revenue requirement over retail sales puts cost differences into tangible terms that can be understood by a broader audience and can help to improve the accessibility of the planning process. To avoid misinterpretation, Staff suggests that if there are costs not included in the revenue requirement in planning, that utilities caveat this metric as necessary and invite readers to focus on the differences between portfolios and the changes over time, rather than the absolute value of the metric itself.

Staff disagrees with PGE's argument regarding the reporting of CBIs. Staff appreciates that for the first CEP, CBIs will likely be 'rough' and need to mature over time. For example, CBIs may be prioritized for the first CEP that primarily help to inform CBRE targets, rather than enabling a portfolio-wide evaluation of the impacts of all of the utility's actions on various communities. Even if a more limited set of CBIs are adopted for the first CEP, there are limited "bites at the apple" between now and the HB 2021 emissions reduction target years and it is important to clarify an expectation that utilities begin making strides in this direction for transparency, accountability, and to facilitate learning for future planning cycles.

In response to POET's suggestion that Staff develop metrics for the first CEP, Staff does not recommend that it can standardize metrics across utilities for the first CEP in a more meaningful way than the utility planning staff can in consultation with stakeholders. Staff instead suggests that utilities work with communities to develop metrics that are most actionable and meaningful for their particular systems and customers for the first CEP. Staff discusses this further in the Community Lens Analysis Topic 3, including a discussion of attribution to individual actions.

Finally, Staff clarifies that its intent in recommending that the utility develop its initial CBIs with "representatives" of the community was not intended to limit this outreach. It

was intended to recognize that the utilities will engage a subset of all customers and has removed this language for clarity.

> ***Staff's final recommendation:***
> *The utility should report the following information on an annual basis in the first CEP for the Preferred Portfolio and a set of alternative IRP portfolios that test different paces of GHG reductions and different levels of community impacts: ~~each portfolio evaluated in the IRP~~*
>
> - *Total greenhouse gas emissions associated with the portfolio based on the DEQ methodology, and broken out by individual fossil fuel resources, market purchases, and market sales.*
> - *~~Estimated average electric rates~~ Normalized annual revenue requirement, calculated as the total revenue requirement for Oregon customers divided by the total retail sales in Oregon.*
> - *A set of interim community impacts and benefits metrics that are developed in coordination with ~~representatives of the~~ communities impacted by the plan, including environmental justice communities.*

Topic 4. Greenhouse Gas Reporting, Verification, and Compliance in Planning
According to HB 2021, the Department of Environmental Quality must verify the projected greenhouse gas emissions reductions forecasted in a clean energy plan and report the Department's findings to the Public Utility Commission and the electric company seeking acknowledgement of a Clean Energy Plan by the Commission.[21] Multiple stakeholders raised concerns regarding accounting and verification of greenhouse gas emissions and some suggested that the OPUC consider emissions accounting methodologies that differ from DEQs methodology in evaluating CEPs. Staff's focus this first review of the utility decarbonization roadmap is compliance with the emissions reductions required under HB 2021. Therefore, Staff did not prioritize additional expectations related to alternative greenhouse gas emissions accounting methodologies and did not include a recommendation on this topic. Staff addresses additional opportunities for GHG emissions transparency in the Analytical Improvements Straw Proposal, such as reporting the impact of a portfolio on regional emissions or describing the role of market sales of thermal resource generation in the emissions reduction strategy.

Stakeholder Comments
PAC and PGE generally agreed with Staff's approach to this issue. Most stakeholders agreed that additional transparency into GHG emissions would improve the process

[21] ORS 469A.420.

(Energy Advocates, GEI, MCAT, and Climate Solutions, RNW, OSSIA, and POET). Specifically, stakeholders expressed that they would like transparency into the emissions from the utility's resources that serve loads outside of Oregon and therefore do not factor into DEQ's accounting methodology. GEI, MCAT, and Climate Solutions argued that utilities should be required to retire RECs associated with non-emitting generation serving their Oregon customers. RNW suggested that the Commission retain the flexibility to address categories of emissions not addressed by DEQs methodology in the future. With regard to process, PAC suggested that if DEQ verification faces implementation challenges, that utilities be allowed to attest to their calculated emissions in lieu of DEQ verification.

Staff's Response
Staff does not have an additional recommendation regarding GHG reporting, verification, and compliance at this time. Staff believes that the other topics of proposed guidance retain the flexibility requested by RNW for future planning cycles and does not believe that emissions attestation should be taken up in the guidance for the first CEP. Staff also does not believe that the treatment of RECs associated with clean energy delivered to Oregon customers should be taken up in the guidance for the first CEP, but has proposed transparency around REC attribution in the Analytical Improvements Straw Proposal and flags this issue for further discussion in the broader HB 2021 implementation process.

Staff's final recommendation: *No near-term guidance.*

Topic 5. Continual Progress and IRP Cost/Risk Framework
HB 2021 requires a clean energy plan to:

> Demonstrate the electric company is making continual progress within the planning period towards meeting the clean energy targets set forth in section 3 of this 2021 Act, including demonstrating a projected reduction of annual greenhouse gas emissions.[22]

HB 2021 also states that:

> The commission shall ensure that an electric company demonstrates continual progress…and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.[23]

[22] ORS 469A.415(4)(e).
[23] ORS 469A.415(6).

Staff believes that this is a key area to clarify expectations up front to prevent wasted time on CEP development and review. While Staff believes that some level of year-over-year emissions reduction in the Preferred Portfolio is a minimum expectation, Staff's leans on the robust weighing of costs and risks engrained in the IRP to determine what constitutes continual progress beyond that. To avoid conflicting priorities between the CEP and IRP, Staff Straw Proposal incorporated interim modifications to IRP guidance to ensure that the pace of GHG reductions and impacts to communities could be considered alongside cost and risk in the selection of the Preferred Portfolio.

For context, Staff has also contemplated a minimum expectation that the utilities test a portfolio with a linear emissions reduction constraint but chose to de-prioritize that expectation due to competing portfolio requests for the first CEP.

Stakeholder Comments
The Energy Advocates and RNW strongly supported the inclusion of the pace of GHG reductions as a key factor alongside cost and risk in selecting the preferred portfolio and recommend that this be adopted on a permanent basis. Other stakeholders generally supported Staff's Straw Proposal (AWEC, POET, and PGE), but offered some recommended modifications.

AWEC expressed concern with the reliance on metrics in the evaluation of portfolios that may be overly subjective and suggested that utilities apply the social cost of greenhouse gas emissions (SCGHG) to compare the paces of GHG emissions reductions. AWEC also supported Staff's recommendation that CBIs be quantifiable and measurable for the same reason.

RNW suggested that the GHG reporting guidance point to the DEQ methodology "at a minimum" in order to accommodate additional GHG considerations in portfolio selection. RNW also noted that when taken together, Staff's Straw Proposals in Topics 5 (year-over-year reductions), 7 (revise-and-resubmit requirement), and 8 (reporting of actuals in the IRP Update) it provides for a strong approach to demonstrating continual progress.

OSSIA expressed concern that Staff's proposal does not provide enough certainty that enough progress will be made and may allow too much time for course correction. OSSIA argues that the utilities should be strictly bound by annual goals, with financial consequences, to ensure the ambitious targets in HB 2021 are met. OSSIA requested a special public meeting on the topic of continual progress, compliance standards, and compliance penalties.

PAC objected to Staff's proposal that utilities demonstrate year-over-year GHG reductions, claiming that their procurement cycles would lead to stairstep reductions instead of continuous reductions. PGE recommended removing the sub-bulleted language on the pace of GHG emissions reductions and CBIs because the language is duplicative with the language in Topic 3: Annual Metrics Measuring the Impacts of Actions.

Staff's Response
Staff appreciates AWEC's suggestion for using the SCGHG to compare GHG emissions trajectories and invites utilities to perform this analysis, but does not believe that a firm expectation for incorporation of SCGHG at this stage is feasible without more time to coordinate and examine.

Staff does not see an issue with RNW's suggested language regarding the pace of GHG emissions reductions and notes that the IRP Guidelines use similar language in specifying minimum requirements for the consideration of risk.

Staff believes that stairstep emissions reductions cited by PAC (i.e., emissions increase every other year before dropping) may be a departure from the HB 2021 requirements for setting annual goals that make progress towards meeting the emissions reductions targets and for planning that demonstrates continual progress within the planning period. At the same time, Staff understands the concern raised by PAC due to electrification and other major uncertainties and economic trends in Oregon (e.g., data center proliferation). If the utility has planned for increasing emissions in some years due to the cadence of procurement processes, the utility's resource planning process should explore opportunities to mitigate the stair steps e.g., pursue procurement more frequently and/or offset potential emissions increases with actions outside of large discrete procurements, including expansion of energy efficiency and/or programmatic offerings.

Staff does not agree with PGE that the proposed language is duplicative with the proposed language on annual metrics because it is important to set an expectation that these considerations should be a driver in resource strategy decisions.

IRP Guideline 1.c. directs the utilities to make the primary goal of the IRP the selection of a portfolio of resources with the best combination of expected costs and associated risks and uncertainties for the utility and its customer.[24] Staff believes that the best way to implement an updated version of this guidance is to waive it for PAC and PGE on an

[24] See Docket No. UM 1056, Investigation into Integrated Resource Planning, Order No. 07-047, Appendix, Guideline No. 1c.

interim basis and direct PAC and PGE apply the following modified version for the first CEP. Staff plans to file a waiver request following Commission consideration of this recommendation.

> ***Staff's final recommendation:***
> *IRP Guideline 1.c. should be waived for ~~electric utilities~~ PAC and PGE on an interim basis, provided the utilities apply the following interim guidance:*
>
> *The primary goal must be the selection of a portfolio of resources that best balances: expected costs and associated risks and uncertainties for the utility and its customers, the pace of greenhouse gas emissions reductions, and community impacts and benefits.*
> - *The planning horizon…(see Guideline 1c, Order No. 07-002)*
> - *Utilities should…(see Guideline 1c, Order No. 07-002)*
> - *To address risk…(see Guideline 1c, Order No. 07-002)*
> - *The pace of greenhouse gas emissions reductions should be ~~reported~~ evaluated, at a minimum, in a manner consistent with the methodology approved by the Oregon Department of Environmental Quality. Utilities should demonstrate year-over-year emissions reductions on an expected basis.*
> - *Community impacts and benefits should be evaluated ~~reported~~ using interim metrics developed in coordination with ~~representatives of the~~ communities impacted by the plan, including environmental justice communities. See Chapter 2 for more detailed guidance.*
> - *The utility should explain in its plan how its resource choices appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.*

Topic 6. Considerations in CEP Acknowledgement
HB 2021 requires that:

> The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in Section 3 of this 2021 Act. In evaluating whether a plan is in the public interest, the commission shall consider:
>
> > (a) Any reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits;

(b) The economic and technical feasibility of the plan;
€ The effect of the plan on the reliability and resiliency of the electric system;
(d) Availability of federal incentive€(e) Costs and risks to the customers; and
(f) Any other relevant factors as determined by the commission.[25]

Staff's proposal seeks to align CEP guidance with HB 2021 requirements, leverage the IRP rather than duplicate IRP Guidelines and practices, and to highlight specific considerations that do not currently arise in the IRP but may align with HB 2021. These include resiliency and community impacts and benefits (which are both discussed further in the Community Lens Analysis section of this Staff report). In response to stakeholder discussions, Staff believes that certain expectations will be critical to establish now, particularly expectations for consistency between plans and utility accountability in considering feedback from community and other stakeholders.

Stakeholder Comments
PAC and PGE supported Staff's Straw Proposal. Other stakeholders generally supported the Straw Proposal (Energy Advocates, Renewable Northwest, OSSIA, and POET), but also offered modifications.

The Energy Advocates, Renewable Northwest, and POET each expressed concern regarding consistency with other plans. The Energy Advocates and RNW suggested that analysis from other planning processes be open to reconsideration in the CEP and POET suggested that if there are differences between the CEP and other planning processes, the utility include "an explanation of substantiated and reasonable differentiations identified."

Regarding community engagement, the Energy Advocates suggested that the Commission consider community input as a principal factor in determining what is in the public interest and suggested that the utility describe how the Preferred Portfolio brings the most benefits to environmental justice and other energy burdened communities. CUB suggested that utilities specifically document engagement with Tribal communities served by the utility or in the right-of-way for utility wherever the utility reports on its community engagement actions. Kathy Moyd suggested that the CEP should be understandable by a member of the public.

[25] ORS 469A.420(2).

Staff's Response
While Staff believes that it will be important for utilities to leverage ongoing planning analyses from other processes in the CEP to avoid duplication and to ensure process efficiency, Staff shares stakeholder concerns regarding the use of analysis from other planning processes that might not have been fully vetted prior to the first CEP. Specifically, Staff is concerned about using the first CEP, which will be new and complex on its own, to vet specific actions proposed in the DSP, which is also new and complex. Staff is also hesitant to set an expectation that analysis cannot change between the first DSP and CEP for these reasons. Staff envisions these new planning processes to integrate and mature over time but has revised the recommendation to make the need for flexibility for the first planning process clearer. Staff does not have this concern regarding analysis from the IRP, as the concurrently filed IRP will be considered alongside the first CEP.

Staff agrees that community input should be a key factor in determining what is in the public interest and designed its recommendations to help ensure that community input is reflected in the utilities' plans. Staff intended for the CBI guidance in Topic 3 and Topic 5 to ensure that the plan would identify impacts of the Preferred Portfolio on environmental justice and other energy burdened communities so that these could be considered by the Commission per the Energy Advocates' suggestion. Staff appreciates the suggestion that the community engagement guidance include more transparency into consultation with specific communities, including Tribal communities and has added language to reflect this suggestion.

Finally, Staff has raised additional recommendations regarding transparency of the CEP in the Analytical Improvements Straw Proposal, such as standard portfolio outputs, which are intended to further promote accessibility of the CEP document.

Staff's final recommendation:
To inform the Commission's acknowledgment decision, utilities should address the following in the first CEP:

- *Whether the plan achieves the clean energy targets set forth in HB 2021:*
  - *The CEP should demonstrate how the IRP Preferred Portfolio achieves the emissions reductions targets set forth in HB 2021, with DEQ verification.*
- *Consistency with the IRP:*
  - *The CEP should explain how it is consistent with the concurrently filed IRP in terms of assumptions, analysis, and planned actions.*

- *To the extent that an analysis supporting the CEP was conducted in another docket (e.g. the IRP or DSP), the CEP should clearly reference that analysis. The utility should explain any updates or methodological changes to the referenced analysis and identify if the referenced analysis was or was not from a plan acknowledged by the Commission.*

- *Effectiveness of community engagement:*
  - *The utility should report the following information regarding community engagement in developing the plan: what opportunities were provided for input and how was accessibility prioritized across those channels; which communities, including environmental justice communities and Tribal communities, did the utility consult with and how were those communities and their representatives identified; what input was received through each channel; how was input incorporated into the IRP/CEP; what input was not incorporated into the IRP/CEP and why was that input not incorporated; and what plans does the utility have for modifying the engagement strategy in future planning cycles.*
  - *The utility should also survey participants who provided input on their experiences participating in the utility's process and their perspectives on how their input influenced the plan. Survey responses must be included with the plan.*

Topic 7. Non-Acknowledgment, Partial Acknowledgment, and Conditional Acknowledgement of the CEP, and Interdependences with IRP Acknowledgement
HB 2021 requires that:

> The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act.[26]

Staff's Straw Proposal sought to address the interaction between IRP and CEP acknowledgement when filed together. Staff also addresses the potential consequences of non-acknowledgement for a CEP, given the added weight of legislative direction underlying the CEP and the limited number of planning cycles prior to the onset of HB 2021 targets.

[26] ORS 469A.420(2).

Stakeholder Comments
PAC and PGE did not support Staff's Straw Proposal that the utilities be required to revise and resubmit non-acknowledged elements of the CEP, while stakeholders generally supported this proposal (Energy Advocates, Renewable Northwest, OSSIA, and POET). PAC argued that there should be a high bar for triggering a revise-and-resubmit requirement, and PGE claimed that the utility ultimately has the authority to decide whether to seek acknowledgement of a revised plan. RNW suggested that a revise-and-resubmit requirement for non-acknowledged CEPs is an important tool for ensuring utility compliance with the mandates in HB 2021. POET raised concerns regarding the legal standards for acknowledgement of a CEP and differentiation between CEP and IRP acknowledgment if the decisions are made together, while OSSIA raised concerns regarding the timing, compliance failures, and "appealability" of CEPs.

Staff's Response
Staff appreciates the important legal and policy concerns raised about this recommendation and believes that it may require consideration in a different venue that allows for further analysis, such as the procedural rulemaking already built into the scope of this investigation.

That said, the UM 2225 process has been successful in surfacing some of the most important areas where expectations among participating stakeholders are far apart. These include elements such as how to demonstrate continual progress of annual actions, how to balance evolving cost and risk considerations, the need to begin setting and tracking key metrics, and how to conduct thorough community lens analysis. Staff continues to believe that it will be difficult to implement HB 2021 meaningfully in the time available unless the Commission can direct the utilities to address major shortcomings in the first CEP. Further, Staff believes that the alternative to robust and transparent planning, including opportunities to revise and resubmit, is a more binding, compliance-focused approach—which is not Staff's preferred approach prior to seeing a utility CEP.

Staff's final recommendation: *No near-term guidance at this time.*

Topic 8. Annual Update
In May 2022, the Commission directed PAC and PGE to file annual IRP Updates, after the first CEP filing, that include updates on utility actions and progress toward the annual goals described in the CEP.[27] In the Roadmap Acknowledgment workstream, Staff sought to build on this decision, by setting additional expectations for the most meaningful CEP detail to include in this update. Staff's proposal focuses on the

[27] See Docket No. UM 2225, Commission Order No. 22-206, June 3, 2022.

relationship between goal-setting, tracking progress toward those goals, and understanding ways to address major barriers and opportunities.

Stakeholder Comments
Stakeholders were generally supportive of CEP implementation updates proposed (CUB, Energy Advocates, Renewable Northwest, OSSIA, POET). PGE argued that the CBIs would not be mature enough in the first CEP to allow for reporting of actuals in the IRP Update. PAC warned against expansive CEP analysis in IRP Updates given the limited scope of the filing and suggests that the CEP information in the IRP update should not include recalculation of CBI metrics.

CUB suggested that utilities should not be able to get a waiver for CEP update items if they seek a waiver for an IRP Update.

POET suggests updates on transmission, generation, and storage as well.

Staff's Response
Staff believes that this recommendation goes hand in hand with Topic #3: Annual metrics measuring the impacts of actions. It is a near-term priority for the utilities to begin taking steps to include key metrics with their annual goals in the CEP, use those metrics to guide implementation actions, and report on their progress on those goals as they continue to implement. Staff reiterates the weight of the statutory requirements underlying the CEP and the limited time for planning cycles and adjustments. This is important for transparency, alignment with the spirit of HB 2021, and enables the Commission to fully evaluate the utility's progress and consider the best ways to support success and respond if the utility's approach or trajectory is falling short.

Staff appreciates the utilities' willingness to engage in discussion about the introduction of CBI analysis; however, the utilities make multiple proposals to deprioritize CBIs due to concerns over maturity or administrative complexity. It is for this reason that Staff believes it is important to clarify the expectation that community impacts and benefits are a priority for both planning analysis and ongoing updates. Regular recalculation of CBIs should be a direction that the utilities are heading more comprehensively, and Staff believes that the slice of activities covered by the CEP is a good opportunity to begin treading into this area.

Staff understands that tracking progress against goals in annual updates is a compliance-related discussion and is therefore open to seeking Commission direction on this topic in a different venue that allows further analysis, such as the procedural rulemaking already built into the scope of this investigation.

Staff's final recommendation:
The utility shall provide the following additional information in IRP Updates that follow CEP filings:

- *Progress to date relative to each annual goal for resource actions presented in the CEP. If resources have been secured, the utility should quantify the amount of each resource using the same units presented in the CEP.*
- *Measured impacts across the same metrics that were presented in the CEP, including, at a minimum: greenhouse gas emissions intensity; total greenhouse gas emissions broken out by individual fossil fuel resources, market purchases, and market sales; average electric rates for Oregon customers; and the community impacts and benefits metrics.*
- *Any DEQ emissions reports filed since the CEP.*

Community Lens Analysis Proposal
Staff initial straw proposal for Community Lens Analysis is included in Attachment 2. It outlines Staff's key expectations for how the utilities implement the CEP requirements related to resiliency analysis, offsetting fossil fuels with community-based renewable energy projects (CBREs), and expectations for incorporating community benefits and impacts into resource planning in the first CEPs. Community Lens issues are based on specific, completely new planning requirements and Staff finds that clarifying expectations up front is critical to a successful first CEP planning cycle.

The initial proposal for near-term guidance for the following topic areas:

1. Community Lens Acquisition Targets
2. Opportunities Considered within Potential Studies
3. Community Benefits Indicators
4. Off-setting Fossil Fuels with CBREs
5. Resiliency-specific Guidance

Topic 1. Community Lens Acquisition Targets
HB 2021 requires the CEP to:

> (c) Include a risk-based examination of resiliency opportunities that includes costs, consequences, outcomes and benefits based on reasonable and prudent industry resiliency standards and guidelines established by the Public Utility Commission;

> (d) Examine the costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy…[28]

Staff believes that the most feasible and impactful implementation of these new requirements is to perform a potential study for use in setting acquisition targets for resiliency projects and other CBREs. The potential study should include consideration of factors such as community impacts and benefits and emissions reduction value and be informed in consultation with community.

Staff believes that a key function of planning moving forward is to carve out a meaningful role for activities outside of regular all resource RFPs. Further, Staff believes that it is a minimum expectation for utilities to do so in a manner that is as quantitative as is feasible. Given the time constraints in the ongoing planning processes, Staff aims to set an expectation that the utilities initiate this potential study for the first CEP and do as much as is feasible.

Stakeholder Comments
Many stakeholders generally supported Staff's Straw Proposal (CUB, Energy Advocates, RNW, and OSSIA), and offered additional suggestions. CUB would like to see the utilities test two alternative methodologies: one that allows CBREs to compete directly with supply side resource options and one that incorporates CBRE levels into portfolio analysis by adjusting the load. CUB also asked if communities would be involved in determining the utility's approach.

The Energy Advocates suggested that utilities should use the CBIs to identify actions and that utilities should consider any learning from Oregon Department of Energy's Small-Scale Renewable Energy Projects Study. The Energy Advocates and RNW suggested that utilities should coordinate with community members and environmental justice communities and not just community representatives and local governments and RNW also suggested that the utilities should be transparent about how community members were identified. OSSIA suggested that the studies should include plans for meeting small scale renewables requirements and that they should examine in-state project upgrades for resilience.

PAC and PGE did not support Staff's Straw Proposal. PAC suggested that the first CEP should be used to develop the CBRE analysis frameworks and processes for use in future planning cycles. PGE expressed concern about the staging of CBRE analysis relative to other IRP and CEP analysis given the time constraints and suggested that

[28] ORS 469A.415(4).

they develop CBRE targets with community input in the first CEP, rather than conducting a quantitative potential study.

Staff's Response
Staff agrees with PAC that now is the time to begin developing the robust processes and frameworks for future planning cycles. However, given the prominence in HB 2021, it should also be a priority to include this analysis in first CEP—even if the analysis and processes are rough and immature.

Staff used flexible terms in its proposal so that utilities can focus on taking the most effective steps to evaluate the right role for CBREs, while recognizing that it may take time and refinement before this analysis be incorporated into portfolio analysis like existing demand-side resource potential.

In the near term, Staff believes that the utilities can meet the proposed guidance for the first CEP in a number of ways that are achievable and help to build the foundation for this work going forward. For example, the utilities could balance rigor and progress by inventorying existing CBRE projects and programs, identifying additional estimates for CBRE projects or programs based on input received and analysis performed in the DSP, evaluating the CBI impacts associated with those projects or programs, and incorporating those projects or programs into one or more IRP portfolios using proxy resource cost and performance information. Or, by evaluating the CBI impacts of additional, non-cost-effective energy efficiency and incorporating the additional energy efficiency into one or more IRP portfolios.

Under both of these approaches, the incorporation of the CBREs into IRP portfolios, even using proxy information, will help the Commission and stakeholders understand how CBREs would affect the utility's other plans, including supply side additions. While Staff agrees with CUB's suggestions and thinks they should be considered for future plans if the utilities cannot conduct that analysis for the first CEP.

Staff also appreciates OSSIA's recommendation that the utilities include the state's community-based renewable energy goal ("carve out") in this analysis.[29] Staff agrees that actions to reach this goal should be considered in setting CBRE targets and that reporting on this goal is important. Staff has included a recommendation to report on this goal for the first CEP.

[29] ORS 469A.210.

Staff has made minor revisions to its recommendation for clarity and RNWs recommendation that the first CEP describe plans to enhance CBRE analysis in future cycles.

Staff's final recommendation:
The first CEP ~~will~~ should include a potential study (or studies) that identifies opportunities for ~~resiliency projects and other~~ community-based renewable energy projects (CBREs) developed in coordination with r~~epresentatives of~~ communities that are served by the utility, including environmental justice communities, and with input from stakeholders and Staff.

- *The potential study ~~will~~ should inform or directly identify annual acquisition targets (e.g., MW, MWh) for ~~resiliency projects and other~~ CBREs ~~per year~~.*
- *The potential study will inform or identify the acquisition targets that appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.*

The potential study ~~will~~ should measure community impacts and benefits based on interim community benefits indicators (CBI) established by the utility.

- *The first CEP ~~will~~ should I include a discussion of acquisition targets and actions that the utility will take in the action plan window to reach those targets e.g., utility procurements, utility run programs (existing and/or new), utility partnerships with other entities' programs, and projections for other customer and community-driven actions.*
- *If a specific project is proposed to meet some or all of the acquisition target, the utility ~~will~~ should describe the timing, project status, status of any partnerships, and any other known critical path items involved.*

The first CEP should include a narrative description of how the utility plans to further develop their CBRE potential study for the next CEP.

The first CEP shouldl report on the utility's plan to comply with the state's goal for community-based renewable energy projects provided in ORS 469A.210 and explain how the CBRE targets align with this strategy.

Topic 2. Opportunities Considered within Community Lens Potential Studies
Opportunities for resiliency projects and other CBREs will be used in two ways:

1. Performing the Community Lens potential study or studies; and
2. Describing the actions that the utility will take to achieve its CBRE acquisition targets.

Staff's straw proposal sought to ensure that the potential for CBRE is grounded in the needs of communities, based on their input, and that CBRE actions focus on those that reduce greenhouse gas emissions in service to the clean energy objectives of HB 2021.

Stakeholder Comments
Stakeholders generally support Staff's proposal (Energy Advocates, Renewable Northwest, PacifiCorp, and PGE). Energy Advocates suggest that opportunities should also include non-traditional actions that bring energy system and community benefits, like tree planting. PGE suggests that utilities leverage the DSP where possible and suggests that resiliency projects should not be a separate category.

Staff's Response
Staff largely agrees with stakeholders' suggestions. With regard to non-traditional actions, the Straw Proposal language was not specifically intended to limit the types of actions that utilities could consider to those actions that have traditionally been pursued. Staff agrees that CBRE actions proposed in the DSP should be considered in establishing acquisition targets and outlining an acquisition strategy. But reiterates concerns that specific DSP actions should not be vetted for acknowledgement in the CEP before the DSP process is mature.

> **Staff's final recommendation:**
> *Opportunities for ~~resiliency projects and other~~ CBRE actions, including distributed resources and their resiliency benefits, should be developed in coordination with ~~representatives of~~ communities that are served by the utility, including environmental justice communities, and with input from stakeholders and Staff.*
>
> - *Plans for actions should reference DSP processes and engagement where appropriate.*
>
> *Opportunities that are considered for their community and/or resiliency benefits should also ~~can include demand, supply, and storage actions that~~ help facilitate greenhouse gas emissions reductions.*

Topic 3. Community Benefits Indicators
Staff finds that the incorporation of community impacts and benefits into the CEP and related planning activities is a critical near-term priority for the implementation of HB 2021. Staff reiterates its discussion from previous sections of this Staff report that it is important to establish minimum expectations for the categories of interim CBIs for use in the first CEP, prioritizing transparency, accountability, and community input.

While Staff does not propose to prescribe CBI metrics and methodologies in advance of a utility process, Staff included a thoughtful proposal from a coalition of Energy Advocates with its initial straw proposal.

Stakeholder Comments
Most stakeholders generally supported Staff's Straw Proposal on CBIs (CUB, Energy Advocates, Renewable Northwest, and PacifiCorp). CUB noted that utilities should be transparent in inclusive in working with communities and that utilities should consider qualitative indicators that are informed by the community in addition to quantitative metrics. CUB also urged Staff to consider proposing specific guidance with respect to the CBIs proposed by the Energy Advocates. Renewable Northwest and OSSIA also expressed support for the Energy Advocates' proposed CBIs.

PacifiCorp notes that they intend to leverage the CBIs developed for Washington where possible for the first CEP. PGE did not support Staff's Straw Proposal. PGE suggested that CBIs in the first CEP should be limited to community lens topics and that they should not be required to me quantifiable or measurable.

Staff's Response
Staff continues to expect utilities to prioritize the development and use of interim CBIs to inform CBRE analysis, portfolio analysis, implementation actions, and tracking progress as the roadmap is implemented. Based on feedback, Staff has revised its CBI expectations to be more specific about the types of CBIs that the utility may adopt on an interim basis and how those CBIs might be used in the CEP and IRP.

- **Informational CBIs.** Some CBIs may provide transparency into topics of importance for communities, even if it is not yet possible for the utility to determine in the first CEP how those CBIs might be affected by the resource actions in the IRP or CEP. For example, a utility might report the percentage of their customers above a certain energy burden threshold. Detailed analysis into how different resource actions might affect this metric may not be possible in the first CEP. However, the Commission and the public may have an interest in

understanding the utility's goals for this metric over time and for seeing how the metric actually changes over time through the CEP update reporting.

- **CBRE-focused CBIs.** Some CBIs may be designed to set goals and track progress on specific outcomes that the utility intends to achieve through CBRE actions. For example, if the utility plans to develop or support community resiliency centers that can operate as microgrids, which could be used to support the health and safety of community members during outages or natural disasters, the utility could design a CBI that measures the percentage of customers, or the percentage of low-income customers, who live within a certain number of miles of a community resiliency center. This CBI would change in the utility's plan as they scaled up the program and it would differ between portfolios that scaled the program at different rates. These types of CBIs could be used to track progress relative to the utility's goals over time and also to inform the selection of the Preferred Portfolio – by testing alternative portfolios with different levels of the CBREs that impact these metrics.
- **Portfolio CBIs.** Some CBIs may be designed to measure specific impacts of the utility's resource portfolio on communities. For example, a utility might design a CBI that tracks the particulate matter emissions from its fleet of resources, which could have environmental and health impacts on nearby communities. This CBI could be determined in the IRP and reported across various portfolios to help inform selection of the Preferred Portfolio.

Staff recommends that for the first CEP, utilities adopt at least one interim CBI in each of these categories and that, combined, the interim CBIs cover the listed topic areas.

Staff agrees with stakeholders that the utilities should consider the items listed by the Energy Advocates both in developing interim CBIs for the first CEP and in developing a more robust set of CBIs for future planning cycles.

Staff continues to support the use of interim CBIs that are quantifiable and measurable for its minimum expectations. This does not preclude the use of other CBIs, but the use of quantifiable metrics (i.e., metrics for which a number can be calculated) will help to ensure that the CBIs are transparent and unbiased and that they can be weighed relative to other metrics that are considered in the plan. The use of measurable interim metrics (i.e., metrics for which actual performance can be measured over time) will help to ensure that the utilities can report progress over time in a manner that is transparent, unbiased, and consistent with the conventions used when their goals were established. Together, the quantifiability and measurability of the CBIs promote transparency and accountability.

Staff's final recommendation

For the first CEP, the utility ~~will~~ should develop interim community benefits indicators in coordination with ~~representatives from the~~ communities served by the utility and with input from stakeholders and Staff.
~~The community benefits indicators (CBIs) will be used in the Community Lens potential study or studies and scoring each portfolio in the IRP.~~
At a minimum, the utilities ~~will~~ should use quantifiable and measurable interim CBIs in development of the first CEP/IRP that together address ~~within each of~~ the following CBI topic areas:

- *Resilience (system and community)*
- *Health and community well-being*
- *Environmental impacts*
- *Energy Equity (distributional and intergenerational equity), and*
- *Economic impacts*

At a minimum, the interim CBIs should include at least one metric of each of the following categories:

- *Informational CBIs, which may or may not directly inform portfolio scoring in the IRP;*
- *CBRE-focused CBIs, which are used to inform and track progress on CBRE actions and should be reflected in the CBRE potential study and in IRP portfolio scoring; and*
- *Portfolio CBIs, which address the impacts of the utility's portfolio on communities, may or may not be tied to CBREs, and should be reflected in IRP portfolio scoring.*

The utility should explain how their interim CBIs address each of the five topic areas and note which of the three listed CBI categories each metric falls within. The utility should also explain their plans for further developing CBIs for the next CEP.

Topic 4. Off-Setting Fossil Fuels with CBREs

HB 2021 requires that the CEP examine the "costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy."[30] Staff's straw proposal sought to leverage the IRP to meet this requirement in a manner consistent with utility planning practices and other demand-side resource options, like energy efficiency and demand response.

[30] ORS 469A.415(4)(d).

Stakeholder Comments
Stakeholders generally supported Staff's straw proposal (Energy Advocates, Renewable Northwest, PacifiCorp, and PGE). The Energy Advocates suggested that benefits include environmental resilience or environmental benefits. PGE suggested that the second part of the Straw Proposal was not needed, but they also seemed to suggest that they would be performing analysis that would align with the proposed language.

Staff's Response
In response to the Energy Advocates' suggestion regarding environmental resilience or environmental benefits, Staff clarifies that the purpose of the proposed guidance is to ensure that system-wide benefits (i.e., benefits that all customers see due to the integrated nature of the grid) that are already accounted for in the IRP are also considered for CBREs. The list of system-wide benefits in the proposed language is not comprehensive, but Staff does not intend this proposed guidance to expand the types of system-wide benefits that are considered in the IRP. Additional benefits that affect specific communities could, however, be incorporated into the analysis by designing corresponding CBIs. If adopted through CBIs, Staff's proposed guidance in Roadmap Acknowledgment Topic #5 would ensure that those benefits were weighed against other considerations, including cost, risk, and the pace of GHG reductions, in the IRP.

> ***Staff's final recommendation:***
> *For the first CEP, the utility ~~must~~ should incorporate the CBRE acquisition targets into IRP portfolio modeling in a manner that accounts for their expected costs and their expected impacts on the IRP resource portfolio performance, including impacts to resource dispatch and fuel burn, portfolio emissions, resource adequacy needs, and resource additions.*
>
> *If system-wide benefits exist for a potential CBRE ~~or resiliency opportunity~~, the utility ~~must~~ should quantify those benefits in a manner consistent with the IRP when evaluating the opportunity for inclusion in the first CEP. System-wide benefits are not limited to, but may include: resource adequacy contributions, energy value, avoided GHG emissions, and avoided transmission.*

Topic 5. Resiliency-Specific Guidance
Based on its exploration of priorities and opportunities to incorporate risk-based resiliency opportunities into planning, Staff arrived at additional recommendations for how the first CEP approaches resiliency and resiliency analysis. This guidance is intended to help utilities understand Staff's priorities for developing analytical

approaches to resiliency. The guidance relies on the following key takeaways from stakeholders and industry experts:

- Resilience should be treated as a key CBI in the first CEP and associated IRP.
- Utilities should have flexibility to determine if resilience requires a separate potential study, but Staff cautions against duplicative studies given the overlap in opportunities and benefits with other CBREs.
- While a Commission-adopted resiliency metric is not feasible for the first CEP, the treatment of resiliency risks in implementing the resilience CBI should reflect a few minimum expectations.
- While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should remain consistent with the overall guidance for annual actions and CBRE opportunities, as well as other planning activities.

The Grid Modernization Lab Consortium has also drafted a report entitled, "Considerations for Resilience Guidelines for Clean Energy Plans" to support the risk-based evaluation of resiliency opportunities in the CEP.[31] This report summarizes approaches, considerations, and examples of risk-based approaches for power system and community resilience planning. Staff believes that its recommendations in this Staff report outline *what* analysis the utilities should perform, while the GMLC report outlines *how* they might perform it.

Stakeholder Comments
Most stakeholders generally supported Staff's straw proposal (CUB, Energy Advocates, Renewable Northwest, and PGE). The Energy Advocates expressed concern that the proposed language may not adequately ensure consultation with Tribal communities or with environmental justice communities in the area. The Energy Advocates suggested that the potential study should address community resiliency impacts of alternative ownership structures and climate change-related impacts and that CBRE acquisition targets may include actions that were identified but not pursued in prior planning analysis due to their more limited scope. PGE also provides some specific language suggestions to clarify their understanding.

PacifiCorp suggested that the first CEP should focus on establishing frameworks and processes rather than conducting resiliency-related analysis but indicated it intends to use its work in Washington to inform quantification of CBIs and DSP and WPP to inform resiliency and risk analysis.

[31] Id., Staff's Resiliency Planning Standards and Practices, filed by Heide Caswell, September 7, 2022, accessed at: https://edocs.puc.state.or.us/efdocs/HAH/um2225hah113046.pdf.

Staff's Response
Staff recognizes the aspirations established in HB 2021 and CEPs and understands this element of CEPs to be an initial effort to align and coordinate a variety of planning activities. Given the newness of this conversation both in Oregon and nationally, Staff believes that establishing a direction with limited near-term requirements is reasonable. Staff hopes that the analysis conducted to support the CEP will be a step forward for analysis that can be used to support other planning functions in the future, such as DSP.

Staff has made minor changes to its recommendation for clarity.

Staff's final recommendation:
The first CEP must include a chapter or other narrative dedicated to describing its resiliency-related analysis, including at minimum:

- *How it was developed in coordination ~~with representatives of~~ communities that are served by the utility, including environmental justice communities, and with input from stakeholders and Staff;*
- *How resiliency risks were considered examined and weighted;*
- *How resiliency opportunities were identified, measured, and weighted; and*
- *The key resiliency-related actions the utility will prioritize in the action plan window to support its CBRE acquisition targets.*

When evaluating resiliency risks for the first CEP and associated IRP, the utility should at minimum:

- *Account for system and community resilience.*
  - *Identify risks that have been identified in other planning processes already as well as gaps in system and community resilience not filled by other planning activities, such as DSP and WPP.*
  - *Consider the zone of tolerance for communities/populations within the service area.*
- *Rely on measurable historical reliability performance measures that reflect:*
  - *all outages (planned, major event, or underlying);*
  - *the primary initiating event for each major event the utility analyzed;*
  - *the top causes for each day during which a major event occurred;*

- *the numbers of customers out and the restoration performance for their supply;*
- *the estimated costs to the utility to recover from the major event;*
- *the estimated unserved energy during the period of a major event;*
- *The estimated impacts to the customers;*
- *The demographics of the community, including classification of energy equity or other social or environmental justice measures.*

- *While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should reflect a few minimum expectations:*
  - *Focus on actions that help facilitate emissions reductions (e.g., generation, storage, demand-side actions). However:*
    - *The utility may include, for general understanding, if there are other actions, such as undergrounding lines connected to a microgrid that need to be included in the costs and benefits of a CBRE.*
    - *The utility may include supplemental discussion of other actions the company is taking to further enhance the resiliency of its system and communities (such as situational awareness investments or helping customers access portable back up generation). This discussion would be for context only and if the actions are not facilitating emissions reductions, they should not be considered actions for the CEP.*
  - *Consider opportunities to work with local communities on local resiliency planning.*
  - *Consider and clearly differentiate actions that are related to other plans, such as DSP and WPP analysis, and those that are newly identified.*
  - *If proposing a specific action, describe the cost, timing for delivery and implementation into utility operations.*

Conclusion

Staff's approach to the Investigation into Clean Energy Plans is designed to prioritize and elevate decisions on key near-term issues to the Commission. The Roadmap Acknowledgement and Community Lens Analysis recommendations are intended to clarify expectations for the most critical aspects of the first CEP and associated IRP that

were surfaced through the investigation. Staff believes that bringing these expectations before the Commission now can help avoid major mismatches that incumber progress toward the state's goals.

Staff greatly appreciates the insights and perspectives provided in response to the Roadmap and Community Lens Analysis Straw Proposal. This process highlighted the number of areas where parties are aligned, as well as a few key areas where establishing expectations upfront will be beneficial.

A clean version of Staff's final recommendations is provided in Attachment 2.

Following a public meeting decision on Staff's recommendations, Staff also plans to propose that the Commission grant a partial waiver for IRPs filed in 2023 by PacifiCorp and Portland General Electric of OAR 860-027-0400(2), specifically the requirement in Order No. 07-002, IRP planning guideline 1.c.

PROPOSED COMMISSION MOTION:

Approve Staff's initial expectations for the development of the roadmap of actions and goals and Community Lens analysis and direct PacifiCorp and Portland General Electric Company to consider this guidance in developing each utility's first Clean Energy Plan (CEP) filings.

SPM CEP UM 2225

Attachment 1. Summary of Staff's Recommendations

Roadmap Acknowledgement Proposal

Topic #1. CEP planning and acknowledgement horizons

The first CEP should include analysis and annual goals over at least 20 years and CEP acknowledgment should focus on the annual goals in the first 2-4 years to align with the IRP analysis and acknowledgment horizons. Utilities may identify, and the Commission may use its discretion to acknowledge, resource actions outside of the Action Plan window.

Topic #2. Annual goals for actions

For the first CEP, annual goals should be provided for all resource actions in each portfolio evaluated in the IRP. Resource actions include, at a minimum: clean energy resources, energy storage, energy efficiency, demand response, resource retirements, changes in system operations, transmission and other supporting infrastructure, and community-based renewable energy projects.

For the first CEP, annual goals for clean energy resources and storage should differentiate between system resources and resources that the utility expects to acquire through voluntary customer or community programs.

Topic #3. Annual metrics measuring the impacts of actions

The utility should report the following information on an annual basis in the first CEP for the Preferred Portfolio and a set of alternative IRP portfolios that test different paces of GHG reductions and different levels of community impacts:

- *Total greenhouse gas emissions associated with the portfolio based on the DEQ methodology, and broken out by individual fossil fuel resources, market purchases, and market sales.*
- *Normalized annual revenue requirement, calculated as the total revenue requirement for Oregon customers divided by the total retail sales in Oregon.*
- *A set of interim community impacts and benefits metrics that are developed in coordination with communities impacted by the plan, including environmental justice communities.*

Topic #4. Greenhouse gas reporting, verification, and compliance in planning

No near-term guidance.

Topic #5. Continual progress and IRP cost/risk framework

IRP Guideline 1.c. should be waived for PAC and PGE on an interim basis, provided the utilities apply the following interim guidance:

The primary goal must be the selection of a portfolio of resources that best balances: expected costs and associated risks and uncertainties for the utility and its customers, the pace of greenhouse gas emissions reductions, and community impacts and benefits.

- *The planning horizon…(see Guideline 1c, Order No. 07-002)*
- *Utilities should…(see Guideline 1c, Order No. 07-002)*
- *To address risk…(see Guideline 1c, Order No. 07-002)*
- *The pace of greenhouse gas emissions reductions should be evaluated, at a minimum, in a manner consistent with the methodology approved by the Oregon Department of Environmental Quality. Utilities should demonstrate year-over-year emissions reductions on an expected basis.*
- *Community impacts and benefits should be evaluated using interim metrics developed in coordination with communities impacted by the plan, including environmental justice communities. See Chapter 2 for more detailed guidance.*
- *The utility should explain in its plan how its resource choices appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.*

Topic #6. Considerations in CEP acknowledgement

To inform the Commission's acknowledgment decision, utilities should address the following in the first CEP:

- *Whether the plan achieves the clean energy targets set forth in HB 2021:*
  - *The CEP should demonstrate how the IRP Preferred Portfolio achieves the emissions reductions targets set forth in HB 2021, with DEQ verification.*
- *Consistency with the IRP:*
  - *The CEP should explain how it is consistent with the concurrently filed IRP in terms of assumptions, analysis, and planned actions.*
  - *To the extent that an analysis supporting the CEP was conducted in another docket (e.g. the IRP or DSP), the CEP should clearly reference that analysis. The utility should explain any updates or methodological changes to the referenced analysis and identify if the referenced analysis was or was not from a plan acknowledged by the Commission.*
- *Effectiveness of community engagement:*
  - *The utility should report the following information regarding community engagement in developing the plan: what opportunities were provided for input and how was accessibility prioritized across those channels; which communities, including environmental justice communities and Tribal communities, did the utility consult with and how were those communities and their representatives identified; what input was received through each channel; how was input incorporated into the IRP/CEP; what input was not incorporated into the IRP/CEP and why was that input not incorporated; and what plans does the utility have for modifying the engagement strategy in future planning cycles.*
  - *The utility should also survey participants who provided input on their experiences participating in the utility's process and their perspectives on*

how their input influenced the plan. Survey responses must be included with the plan.

Topic #7. Non-acknowledgment, partial acknowledgment, and conditional acknowledgement of the CEP, and interdependences with IRP acknowledgement
No near-term guidance at this time.

Topic #8. Annual Update
The utility shall provide the following additional information in IRP Updates that follow CEP filings:

- *Progress to date relative to each annual goal for resource actions presented in the CEP. If resources have been secured, the utility should quantify the amount of each resource using the same units presented in the CEP.*
- *Measured impacts across the same metrics that were presented in the CEP, including, at a minimum: greenhouse gas emissions intensity; total greenhouse gas emissions broken out by individual fossil fuel resources, market purchases, and market sales; average electric rates for Oregon customers; and the community impacts and benefits metrics.*
- *Any DEQ emissions reports filed since the CEP.*

Community Lens Analysis Proposal

Topic #1. Community Lens Acquisition Targets
The first CEP should include a potential study (or studies) that identifies opportunities for community-based renewable energy projects (CBREs) developed in coordination with communities that are served by the utility, including environmental justice communities, and with input from stakeholders and Staff.

- *The potential study should inform or directly identify annual acquisition targets (e.g., MW, MWh) for CBREs.*
- *The potential study should inform or identify the acquisition targets that appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.*

The potential study should measure community impacts and benefits based on interim community benefits indicators (CBI) established by the utility.

- *The first CEP should include a discussion of acquisition targets and actions that the utility will take in the action plan window to reach those targets e.g., utility procurements, utility run programs (existing and/or new), utility partnerships with other entities' programs, and projections for other customer and community-driven actions.*
- *If a specific project is proposed to meet some or all of the acquisition target, the utility should describe the timing, project status, status of any partnerships, and any other known critical path items involved.*

The first CEP should include a narrative description of how the utility plans to further develop their CBRE potential study for the next CEP.

The first CEP should report on the utility's plan to comply with the state's goal for community-based renewable energy projects provided in ORS 469A.210 and explain how the CBRE targets align with this strategy.

Topic #2. Opportunities Considered within Community Lens Potential Studies

Opportunities for CBRE actions, including distributed resources and their resiliency benefits, should be developed in coordination with communities that are served by the utility, including environmental justice communities, and with input from stakeholders and Staff.

- *Plans for actions should reference DSP processes and engagement where appropriate.*

Opportunities that are considered for their community and/or resiliency benefits should also help facilitate greenhouse gas emissions reductions.

Topic #3. Community Benefits Indicators

For the first CEP, the utility should develop interim community benefits indicators in coordination with communities served by the utility and with input from stakeholders and Staff.

At a minimum, the utilities should use quantifiable and measurable interim CBIs in development of the first CEP/IRP that together address the following CBI topic areas:

- *Resilience (system and community)*
- *Health and community well-being*
- *Environmental impacts*
- *Energy Equity (distributional and intergenerational equity), and*
- *Economic impacts*

At a minimum, the interim CBIs should include at least one metric of each of the following categories:

- *Informational CBIs, which may or may not directly inform portfolio scoring in the IRP;*
- *CBRE-focused CBIs, which are used to inform and track progress on CBRE actions and should be reflected in the CBRE potential study and in IRP portfolio scoring; and*
- *Portfolio CBIs, which address the impacts of the utility's portfolio on communities, may or may not be tied to CBREs, and should be reflected in IRP portfolio scoring.*

The utility should explain how their interim CBIs address each of the five topic areas and note which of the three listed CBI categories each metric falls within. The utility should also explain their plans for further developing CBIs for the next CEP.

Topic #4. Off-setting Fossil Fuels with CBREs

For the first CEP, the utility should incorporate the CBRE acquisition targets into IRP portfolio modeling in a manner that accounts for their expected costs and their expected impacts on the IRP resource portfolio performance, including impacts to resource dispatch and fuel burn, portfolio emissions, resource adequacy needs, and resource additions.

If system-wide benefits exist for a potential CBRE, the utility should quantify those benefits in a manner consistent with the IRP when evaluating the opportunity for inclusion in the first CEP. System-wide benefits are not limited to, but may include: resource adequacy contributions, energy value, avoided GHG emissions, and avoided transmission.

Topic #5. Resiliency-specific guidance

The first CEP must include narrative which describes its resiliency-related analysis, including at minimum:

- *How it was developed in coordination communities that are served by the utility, including environmental justice communities, and with input from stakeholders and Staff;*
- *How resiliency risks were considered examined and weighted;*
- *How resiliency opportunities were identified, measured, and weighted; and*
- *The key resiliency-related actions the utility will prioritize in the action plan window to support its CBRE acquisition targets.*

When evaluating resiliency risks for the first CEP and associated IRP, the utility should at minimum:

- *Account for system and community resilience.*
  - *Identify risks that have been identified in other planning processes already as well as gaps in system and community resilience not filled by other planning activities, such as DSP and WPP.*
  - *Consider the zone of tolerance for communities/populations within the service area.*
- *Rely on measurable historical reliability performance measures that reflect:*
  - *all outages (planned, major event, or underlying);*
  - *the primary initiating event for each major event the utility analyzed;*
  - *the top causes for each day during which a major event occurred;*
  - *the numbers of customers out and the restoration performance for their supply;*
  - *the estimated costs to the utility to recover from the major event;*
  - *the estimated unserved energy during the period of a major event;*
  - *The estimated impacts to the customers;*
  - *The demographics of the community, including classification of energy equity or other social or environmental justice measures.*

- *While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should reflect a few minimum expectations:*
  - *Focus on actions that help facilitate emissions reductions (e.g., generation, storage, demand-side actions). However:*
    - *The utility may include, for general understanding, if there are other actions, such as undergrounding lines connected to a microgrid that need to be included in the costs and benefits of a CBRE.*
    - *The utility may include supplemental discussion of other actions the company is taking to further enhance the resiliency of its system and communities (such as situational awareness investments or helping customers access portable back up generation). This discussion would be for context only and if the actions are not facilitating emissions reductions, they should not be considered actions for the CEP.*
  - *Consider opportunities to work with local communities on local resiliency planning.*
  - *Consider and clearly differentiate actions that are related to other plans, such as DSP and WPP analysis, and those that are newly identified.*
  - *If proposing a specific action, describe the cost, timing for delivery and implementation into utility operations.*

Attachment 2. Staff's Roadmap and Community Lens Straw Proposal

Chapter 1 – Roadmap Acknowledgement Straw Proposal

Straw Proposal Background

On April 4, 2022, Staff released its Investigation Work Plan for the UM 2225 Clean Energy Plan (CEP) Investigation. The Work Plan includes multiple workstreams, one of which is the Roadmap Acknowledgement workstream. The Roadmap Acknowledgement workstream seeks to answer key near-term policy questions about expectations for Commission acknowledgement of the roadmap of decarbonization actions presented in the Clean Energy Plan. The intended outcome of the Roadmap Acknowledgement workstream is to establish Commission guidance that sets upfront expectations for how the Commission will consider the roadmap of actions utilities propose in their Clean Energy Plans for compliance with the decarbonization targets and other key requirements of HB 2021.

To carry out the Roadmap Acknowledgement workstream, Staff proposed to circulate a questionnaire to gather initial stakeholder ideas and perspectives regarding roadmap acknowledgement and hold a workshop to present and discuss the questionnaire responses. Informed by the stakeholder input from the questionnaire and workshop, Staff would then publish a straw proposal, with an opportunity for written comment. Staff would revise the proposal as needed and then bring it to a public meeting for Commission decision and guidance. Staff had originally planned to bring the proposal to a public meeting in August, but is now aiming to bring it to a public meeting in October to provide additional time for consideration.

Process Informing the Straw Proposal

Staff released a questionnaire on May 20, 2022 to understand initial perspectives regarding annual goals for actions in the Clean Energy Plan (CEP) as well as the standards for and implications of acknowledgement. The questionnaire posed four questions, with background and additional prompts to inform answers to the questions. The four questions were:

- *Question 1*: What should be the planning and acknowledgement horizon for the annual goals for action and clean energy targets in the Clean Energy Plan (CEP)?
- *Question 2*: What details should the annual goals for action include?
- *Question 3*: How should compliance and continual progress be demonstrated and assessed?
- *Question 4*: How do you envision Commission acknowledgement of the Clean Energy Plan/annual goals for actions?

Questionnaire responses were due June 10, 2022. Staff received ten stakeholder responses to the questionnaire. These included one comment from an individual, and comments from the following organizations: 3Degrees; Alliance of Western Energy Consumers (AWEC); Center for Resource Solutions (CRS); Oregon Citizens' Utility Board (CUB); Oregon Solar and Storage Industries Association (OSSIA); Portland General Electric (PGE); PacifiCorp (PAC); Renewable Northwest (RNW); and The NW Energy Coalition, Rogue Climate, Climate Solutions, the Green Energy Institute at Lewis & Clark Law School, Verde, the Sierra Club, the Coalition of Communities of Color, Multnomah County Office of Sustainability, Renewable Northwest, and the Metro Climate Action Team (Energy Advocates).

Staff and stakeholders discussed the questionnaire responses at a workshop on June 29, 2022. Staff tested areas of alignment and solicited additional input on remaining questions.

Straw Proposal Overview

Informed by the questionnaire responses and discussion at the workshop, Staff drafted the Straw Proposal in Attachment A. Staff identified and organized the Straw Proposal around eight topics:

- CEP planning and acknowledgement horizons
- Annual goals for actions
- Annual metrics measuring the impacts of actions
- Greenhouse gas reporting, verification, and compliance in planning
- Continual Progress and IRP cost/risk framework
- Considerations in CEP acknowledgement
- Non-acknowledgement, partial acknowledgement, and conditional acknowledgement of the CEP, and interdependences with IRP acknowledgement
- Annual update

Staff takes each of these topics in turn in the Straw Proposal, providing a summary of stakeholder comments regarding the issue and Staff's proposal on the issue.

Straw Proposal Details

Topic #1. CEP planning and acknowledgement horizons

Issue Background: The Commission's Integrated Resource Plan (IRP) Guidelines currently require IRPs to include at least a 20-year planning horizon.[1] In addition, the IRP Guidelines require that the utility include an action plan with resource activities the utility intends to undertake in the next 2-4 years to acquire the resources it identifies.[2] Commission acknowledgement primarily focuses on the items in the Action Plan.

HB 2021 requires that the Clean Energy Plan incorporate the clean energy targets set forth in Section 3 of the 2021 Act and include annual goals for actions that make progress towards meeting those targets.[3] But, HB 2021 does not designate a specific planning and acknowledgement horizon for the CEP and the annual goals for action within the CEP. Staff therefore sought input on what the planning and acknowledgement horizon for the annual goals for action and clean energy targets should be in the Clean Energy Plan.

Stakeholder Input: Most questionnaire respondents weighing in on the issue (CUB, Energy Advocates, PAC, and RNW), recommended that the planning and acknowledgement horizons should align with the current IRP Guidelines (planning over at least 20 years, with acknowledgement of actions in the next 2-4 years). Respondents noted that the IRP planning horizons provide a good balance of near-term rigor with long-term context, and that the 20+ year analysis horizon would include the HB 2021 clean energy target dates. Some respondents also noted that including draft or tentative plans beyond the action plan window helps to provide a tangible sense of potential future actions and that these actions can be updated as more information becomes available and conditions evolve in future cycles.

[1] Order No. 07-002. Guideline 1.
[2] Order No. 07-002. Guideline 4.
[3] HB 2021 §4(4)(a-b).

PGE and OSSIA offered suggestions that differed from the majority above. PGE proposed that the CEP include a carbon emissions reduction forecast over only 10 years and annual goals only spanning the first 2-4 years, which would be the acknowledgement horizon.[4] PGE explained that this would promote regional alignment as it would be similar to what its peer utilities in Washington State do under Washington's Clean Energy Transformation Act (CETA).[5] OSSIA noted that a 2-4 year action plan window does not align with transmission planning timelines, and instead suggested a 1-10 year action plan acknowledgement horizon.[6]

Staff presented the majority alignment at the workshop. PGE noted at the workshop that it was largely proposing the 10 year planning horizon because there is much less certainty in the outer years, but noted it was not an area of major misalignment.[7] NewSun also offered comments at the workshop about making sure long-lead-time transmission assets could be incorporated into the analysis – both for the planning horizon and the action acknowledgement horizon.[8]

Staff Analysis: Staff agrees that aligning the analysis and acknowledgment horizons between the CEP and IRP makes sense. A near-term (2-4 year) acknowledgement window focuses scrutiny on the actionable steps that can be undertaken or initiated between planning cycles. The longer (20+ year) analysis horizon ensures that near-term actions are aligned with long-term objectives and achieving the clean energy targets set forth in HB 2021. Staff agrees that actions outside of the acknowledgment window should still be included in the plan for context. Those actions may be interpreted as draft or tentative plans, to be re-evaluated alongside other options in future planning cycles.

Staff does not agree that a 10-year acknowledgement window is necessary to facilitate investment in new transmission. Adopting a 2-4 year acknowledgement window does not preclude a utility from requesting acknowledgment of new transmission infrastructure or near-term steps to pursue that transmission infrastructure. The Commission may use their discretion to weigh acknowledgement of such long-lead-time resources without requiring the Action Plan to include all resource actions over the next 10 years.

Staff Proposal *(effectuate through guidance to the utilities)**:***

The CEP should include analysis and annual goals over at least 20 years and CEP acknowledgment should focus on the annual goals in the first 2-4 years to align with the IRP analysis and acknowledgment horizons.

Topic #2. Annual goals for actions

Issue Background: HB 2021 §4(4)(b) states that the annual goals for actions must include, "acquisition of nonemitting generation resources, energy efficiency measures and acquisition and use of demand response resources."

In addition, HB 2021 §4(5) states that:

[4] PGE's Response to Roadmap Acknowledgement Questionnaire. Page 2.
[5] Id.
[6] OSSIA's Response to Roadmap Acknowledgement Questionnaire. Page 1.
[7] See June 29, 2022, workshop recording at 24:54 – 26:45.
[8] See June 29, 2022, workshop recording at 26:50 – 29:30.

> Actions and investments proposed in a clean energy plan may include the development or acquisition of clean energy resources, acquisition of energy efficiency and demand response, including an acquisition required by ORS 757.054 [cost effective energy efficiency], development of new transmission and other supporting infrastructure, retirement of existing generating facilities, changes in system operation and any other necessary action.

Given the required and potential actions listed in the legislation, Staff sought input on the type of actions and the details the annual goals for actions should include.

Stakeholder Input: Questionnaire respondents weighing in on the issue (CUB, Energy Advocates, OSSIA, PAC, PGE, and RNW), recommended that the annual goals for actions should include those listed in HB 2021 §4(5) of the bill. Multiple respondents (Energy Advocates, OSSIA, and RNW) highlighted the importance of also including storage resources in annual goals. Multiple respondents (CUB, Energy Advocates, PAC, and PGE) also suggested that annual goals should include programmatic actions, including resiliency and community-based renewable actions. Energy Advocates also suggested building improvements and building decarbonization investments, including electrification be allowed.[9] And, PGE suggested that annual goals should also include distribution infrastructure investments.[10]

Multiple respondents (Energy Advocates, OSSIA, and PGE) suggested that the annual goals specify which resource actions are enabled by voluntary programs. Multiple respondents (CUB, Energy Advocates, OSSIA, and PGE) also suggested that annual goals should include additional information regarding the impacts of the actions. We discuss this further in Topic #3 below.

Staff Analysis: Staff agrees that annual goals should be developed for all resource actions within the CEP, including those listed in HB 2021 §4(5), to provide a complete picture of the utilities' plans on an annual basis.

Staff agrees that energy storage resource additions may be crucial to the utilities' plans and that annual goals should be established for these resources as well. We anticipate that utility plans may include a range of storage options, including utility scale storage, customer-sited storage, and storage paired with community-based renewables.

With regard to both clean energy resources and energy storage, Staff agrees that the utilities should differentiate between system resources and resources that the utility expects to acquire through voluntary customer and community actions (e.g., community solar, green tariff, net metering, community-sponsored resiliency projects). For voluntary actions in the Action Plan window, the utility should clearly describe how the company plans to acquire the resource(s), and how the expected resources will impact the procurement efforts, costs, and risks of the utility's system-wide portfolio of actions.

Additional guidance for considering and describing actions driven by resiliency and other community lens analysis is proposed in Chapter 2 of the straw proposal.

With regard to distribution system investments, Staff notes that some specific distribution system investments could be considered "other supporting infrastructure" that enables the

[9] Energy Advocates' Response to Roadmap Acknowledgement Questionnaire. Pages 3-4.
[10] PGE's Response to Roadmap Acknowledgement Questionnaire. Page 3.

utilities' other actions to comply with HB 2021, but Staff does not see the CEP as a forum for considering the acknowledgement of the utilities' Distribution System Planning actions more broadly. In cases where the utility identifies that a distribution investment is needed for a specific action in the CEP, Staff recommends that the utility include a description of the distribution investment in the CEP and account for the associated distribution system investment costs in evaluating the action in the IRP and CEP.

With regard to the building improvements described by the Energy Advocates, Staff considers many of these options to fall within the category of energy efficiency. Staff also notes that the health and safety benefits of specific types of energy efficiency measures could be further explored as part of the evaluation of community impacts and benefits, which is discussed further in Chapter 2 of this straw proposal. Staff seeks to understand the impacts of increased electrification on achieving a reliable, clean portfolio through portfolio modeling scenarios, but does not believe that there is sufficient understanding to direct utilities to consider building electrification programs as a resource in the CEP. Staff believes that a high electrification scenario and an exploration of energy efficiency as a resource option will provide meaningful insights into the costs, risks, impacts, and benefits cited by the Energy Advocates.

Staff Proposal *(effectuate through guidance to the utilities)**:***

Annual goals should be provided for all resource actions in each portfolio evaluated in the IRP. Resource actions include, at a minimum: clean energy resources, energy storage, energy efficiency, demand response, resource retirements, changes in system operations, transmission and other supporting infrastructure, community-based renewable energy projects, and resiliency projects.

Annual goals for clean energy resources and storage should differentiate between system resources and resources that the utility expects to acquire through voluntary customer or community programs.

If distribution system upgrades are required for the utility's planned resource actions, these investments should be clearly described and their costs should be included in the evaluation of the associated actions.

Topic #3. Annual metrics measuring the impacts of actions

Issue Background: Questionnaire responses raised the issue of whether a CEP that includes the annual goals for actions should include not only the actions, but also the impacts of those actions. This was a topic of focused discussion at the workshop.

Stakeholder Input: Multiple questionnaire respondents suggested that the CEP with annual goals for actions should include additional information regarding the impacts of the actions, including: greenhouse gas emissions and greenhouse gas emissions intensity, burdens to environmental justice communities, safety, security, reliability, resiliency, equity, affordability, technical feasibility, and economic costs and benefits. Some stakeholders at the workshop suggested that impacts should be identified by individual actions and others noted that attribution may be challenging for actions that enable others but do not necessarily bring an individual class of benefits on their own.

Relatedly, OSSIA recommended that annual emissions targets in a CEP should be binding.[11]

Staff Analysis: Staff agrees that identifying the key impacts of the actions for annual goals will be important for evaluating the CEP. In particular, Staff notes that presenting annual greenhouse gas emissions will be necessary to evaluate the pace of progress toward meeting the clean energy targets and to assess continual progress. Staff also believes that providing annual cost information in a manner that is meaningful to customers, for example the estimated annual average rate experienced by Oregon customers (total revenue requirement for Oregon customers divided by total retail sales in Oregon), will help the Commission contextualize the pace of progress.

Staff also agrees that providing annual information about community impacts and benefits may help the Commission determine whether the utility's plan is in the public interest. HB 2021 §5(2) specifically identifies that environmental and health benefits of greenhouse gas reductions are relevant to the determination of whether the plan is in the public interest. Staff agrees that including annual metrics regarding impacts and benefits to communities will help the Commission understand the implications of the utility's CEP and its alignment with the objectives of HB 2021. Staff further notes that accurate evaluation of community impacts and benefits cannot be undertaken without direct involvement of the communities that are impacted by the plan. For future cycles, the Utility Community Benefits and Impacts Advisory Groups (UCBIAGs) may play a key role in developing these metrics. However, because the UCBIAGs have not yet been established, Staff's interim suggestions regarding community involvement in developing the community and impacts metrics does not directly reference the UCBIAGs.

With regard to attribution of impacts to individual actions within a portfolio, Staff appreciates the complexity noted by stakeholders regarding actions that may be enabling or may interact with one another. Staff notes that attribution of impacts is particularly challenging when the benefits of one action depend on another action. Attribution to individual actions may also rely on subjective accounting decisions specific to each impact or metric, which can be challenging to vet and may not be fully consistent with portfolio analysis. Staff believes that total portfolio impacts remain the most important information for vetting the plan and that testing key alternatives in portfolio analysis can be used to examine the relative impacts of major actions if this information is important to Staff or stakeholders. If Staff or stakeholders are interested in understanding the incremental impacts of a particular action, then they may ask the utility to test portfolios with and without that action. This approach reveals differences across all reported metrics in a consistent manner and does not rely on subjective accounting methodologies to attribute benefits and impacts. Staff also notes that it plans to propose a target set of scenario analyses as part of the Analytical Improvements work stream.

Staff believes that it will be important to monitor utility progress relative to plans and expectations over time to ensure that continual progress is being made. Reporting annual impacts on an expected basis in the CEP would provide the Commission with benchmarking information against which to evaluate utility progress over time, provided that the actual annual impacts can be measured and reported using the same metrics that are in the CEP. Staff discusses the potential role of an update filing to support ongoing evaluation of utility progress in

[11] OSSIA's Response to Roadmap Acknowledgement Questionnaire. Pages 1-2.

Topic #8. Staff also discusses the maturation of community benefits indicators from a planning metric to a performance benchmark in Chapter 2 of this straw proposal.

Staff Proposal *(effectuate through guidance to the utilities)**:***

The utility should report the following information on an annual basis in the CEP for each portfolio evaluated in the IRP:

- **Total greenhouse gas emissions associated with the portfolio based on the DEQ methodology, and broken out by individual fossil fuel resources, market purchases, and market sales.**
- **Estimated average electric rates, calculated as the total revenue requirement for Oregon customers divided by the total retail sales in Oregon.**
- **A set of community impacts and benefits metrics that are developed in coordination with representatives of the communities impacted by the plan, including environmental justice communities.** See Chapter 2 for more detailed guidance.

Topic #4. Greenhouse gas reporting, verification, and compliance in planning

Issue Background: According to HB 2021 §5, the Department of Environmental Quality must verify the projected greenhouse gas emissions reductions forecasted in a clean energy plan and report the Department's findings to the Public Utility Commission and the electric company seeking acknowledgement of a Clean Energy Plan by the Commission.

Multiple stakeholders raised concerns regarding accounting and verification of greenhouse gas emissions in their questionnaire responses.

Stakeholder Input: 3Degrees and CRS suggested that there is conflicting language in statute regarding the appropriate treatment of renewable energy credits (RECs) in greenhouse gas accounting for HB 2021 compliance. They suggested that not requiring the utility to retain and retire a REC for renewable generation will lead to double-counting. RNW and Energy Advocates suggested that the Commission has broader authority to regulate greenhouse gas emissions using alternative emissions accounting methodologies to those used by the Oregon Department of Environmental Quality (DEQ).

RNW and Energy Advocates also suggested that DEQ verification that the plan will achieve the clean energy targets in HB 2021 should be a minimum threshold requirement for acknowledgement. The Energy Advocates further suggested that DEQ be involved in the pre-filing stage to ensure timely verification. PGE raised concerns regarding the timing of the DEQ verification process, suggested that it occur in parallel to Commission review of the CEP rather than as an input to acknowledgement, and suggested that verification be limited to the action plan window.[12]

Staff Analysis: Staff agrees that DEQ verification that the plan achieves the clean energy targets set forth in HB 2021 is an important consideration for acknowledgement. Staff incorporates this into the straw recommendation in Topic #6. Staff also acknowledges the concerns raised regarding the timing of the DEQ verification process and the Commission's review of the CEP. Staff is engaged in discussion with DEQ about the logistics and data requirements to support

[12] PGE's Response to Roadmap Acknowledgement Questionnaire. Pages 3-4.

this review and will keep stakeholders and utilities informed of the need to adopt any near-term Commission guidance to enable this coordination for the first CEP.

For the purposes of evaluating compliance, Staff does not recommend that the Commission pursue alternative greenhouse gas emissions accounting methodologies. Staff does, however, see an opportunity in the IRP and CEP to create additional transparency around the emissions implications of the utilities' plans, including the sources of emissions that remain in the utilities' plans, the implications of market purchases and sales on the expected emissions, and how the utility's plans may impact greenhouse gas emissions in the broader West. Staff's straw recommendation in Topic #3 includes greenhouse gas emissions information with enough granularity to better understand the sources of remaining emissions and the implications of market purchases and sales. Staff does not have a straw recommendation at this time regarding transparency into the emissions implications across the broader West, but raised this question at the July 27 Decarbonization Planning Workshop and will continue to engage stakeholders on this and other topics related to greenhouse gas emissions and transparency in this docket.

Topic #5. Continual progress and IRP cost/risk framework

Issue Background: HB 2021 §4(4)(e) states that a clean energy plan must:

> Demonstrate the electric company is making continual progress within the planning period towards meeting the clean energy targets set forth in section 3 of this 2021 Act, including demonstrating a projected reduction of annual greenhouse gas emissions.

HB 2021 §4(6) states that:

> The commission shall ensure that an electric company demonstrates continual progress…and is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers.

Staff sought input on how continual progress should be demonstrated and assessed.

Stakeholder Input: Multiple questionnaire respondents (AWEC, CUB, Energy Advocates, PAC, PGE, and RNW) recommended that the Commission should not be prescriptive regarding "continual progress" at this stage and that "continual progress" can be evaluated by the Commission through the lens of balancing cost and risk in the IRP/CEP process. With that said, AWEC suggested that plans/trajectories should also be constrained by the cost cap in HB 2021.[13] Energy Advocates also suggested that community benefits and equity considerations need to be integrated into the least cost/least risk framework – they refer to "near-optimal" solutions that advance community benefits and equity that may not be picked up by traditional cost/risk analysis.[14] RNW urged the Commission to "establish particularly strong standards for continual progress" when the time comes.[15]

In a more immediate effort to inform continual progress, OSSIA suggested that the utility should be actively reducing emissions per binding annual targets to ensure continual progress.[16]

[13] AWEC's Response to Roadmap Acknowledgement Questionnaire. Page 4.
[14] Energy Advocates' Response to Roadmap Acknowledgement Questionnaire. Page 8.
[15] RNW's Response to Roadmap Acknowledgement Questionnaire. Page 5.
[16] OSSIA's Response to Roadmap Acknowledgement Questionnaire. Pages 1-3.

At the workshop, Staff flagged the evaluation of continual progress as an area of general alignment across questionnaire responses. Across both the questionnaire responses and the input provided at the workshop, Staff did not hear a preference for a prescriptive approach to defining continual progress or a specific trajectory that the utilities should be expected to plan for to achieve continual progress.

At the workshop, Staff also asked stakeholders to describe what a "strong" standard for continual progress might mean. Many participants suggested that the strength of the standard did not refer to a particular trajectory for progress, but instead referred to the stringency with which utilities would be held to a planned trajectory.

Staff Analysis: Staff agrees that the IRP framework is generally well suited for the evaluation of continual progress and that what constitutes continual progress in a manner that is in the public interest may change from planning cycle to planning cycle depending on changing circumstances, including resource cost and availability, market conditions, economic conditions, and other factors. However, Staff also agrees that the focus of the IRP portfolio analysis on cost and risk may limit consideration of other factors that are important to HB 2021 implementation, including the pace of greenhouse gas emissions reductions and community impacts and benefits. If, for example, a portfolio achieves much steeper greenhouse gas emissions reductions or much larger community benefits relative to an alternative portfolio, for a very small increase in the traditional cost and/or risk metrics in the IRP, then that portfolio may have stronger alignment with the objectives of HB 2021 than the alternative portfolio. Staff believes that these tradeoffs should be made more explicit in the IRP by adopting interim guidance that supplements the language in IRP Guideline 1.c for electric utilities.

Further, while Staff does not believe that a specific trajectory of emissions reductions should be prescribed at this time, HB 2021 does make clear that the CEP should "[demonstrate] a projected reduction of annual greenhouse gas emissions[.]"[17] To align with this aspect of HB 2021, Staff recommends that the utility be required to demonstrate year-over-year greenhouse gas emissions reductions on an expected basis for every year in the CEP.

HB 2021 also specifies that the utility should "[take] actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers."[18] Staff anticipates that the pace of incremental greenhouse gas emissions reductions will be a central question for each IRP and CEP. To provide additional information to contextualize the utility's planned pace of emissions reductions, Staff recommends that the utility be required to test a portfolio with approximately constant greenhouse gas emissions reductions in each year from the first year in the plan to the next year with a clean energy target (e.g. in a 2023 IRP, greenhouse gas emissions would follow a straight line trajectory from 2023 to 2030 on an expected basis). In addition, the utility should test at least one portfolio that would achieve more rapid greenhouse gas emissions reductions than the straight line trajectory within the Action Plan window. Staff plans to propose these portfolio analysis ideas in the analytical improvements workstream.

Given uncertainties in several factors affecting greenhouse gas emissions in a given year, Staff does not agree that utilities should be strictly bound by the annual trajectories provided in the

[17] HB 2021 §4(4)(e)
[18] HB 2021 §4(6)

CEP. However, Staff does share concerns regarding utility accountability as plans are implemented. Staff believes that it will be important to track utility progress relative to planned greenhouse gas emissions reductions over time so that the utility may course correct if implementation does not meet expectations. Staff discusses one option for the ongoing evaluation of utility progress in Topic #8.

Staff Proposal *(effectuate through Commission waiver and interim guidance)*:

IRP Guideline 1.c. should be waived for electric utilities on an interim basis, provided the utilities apply the following interim guidance:

The primary goal must be the selection of a portfolio of resources that best balances: expected costs and associated risks and uncertainties for the utility and its customers, the pace of greenhouse gas emissions reductions, and community impacts and benefits.

- **The planning horizon…(see Guideline 1c, Order No. 07-002)**
- **Utilities should…(see Guideline 1c, Order No. 07-002)**
- **To address risk…(see Guideline 1c, Order No. 07-002)**
- **Greenhouse gas emissions should be reported in a manner consistent with the methodology approved by the Oregon Department of Environmental Quality.**
- **Community impacts and benefits should be reported using metrics developed in coordination with representatives of the communities impacted by the plan, including environmental justice communities. See Chapter 2 for more detailed guidance.**
- **The utility should explain in its plan how its resource choices appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.**

Topic #6. Considerations in CEP acknowledgement

Issue Background: HB 2021 §5(2) requires that:

> The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act. In evaluating whether a plan is in the public interest, the commission shall consider:
>
> (a) Any reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits;
>
> (b) The economic and technical feasibility of the plan;
>
> (c) The effect of the plan on the reliability and resiliency of the electric system;
>
> (d) Availability of federal incentives;
>
> (e) Costs and risks to the customers; and
>
> (f) Any other relevant factors as determined by the commission

Staff sought feedback on these acknowledgement considerations and whether other factors should be considered.

Stakeholder Input: Many questionnaire respondents (CUB, Energy Advocates, PAC, PGE, and RNW) recommended that CEP acknowledgment should have similar standards (i.e., meets applicable rules and guidelines and is reasonable based on information known at the time) and carry the same meaning (i.e., not pre-approval) as IRP acknowledgement.[19] OSSIA suggests that CEP acknowledgement "must go beyond appearing reasonable at the time."[20]

In addition to the considerations listed in HB 2021 §5(2), stakeholders identified several items that could also be considered as part of CEP acknowledgement, including: direct benefits to communities, burdens for environmental justice communities, how the utility engaged with communities and tribal nations, non-energy benefits, feasibility regarding transmission-related constraints, and the pace of progress toward the clean energy targets.

Energy Advocates made two recommendations to help the Commission evaluate the effectiveness of the utility's efforts to engage communities.[21] They suggested an anonymous survey or transparent accounting of how the utility responded to all stakeholder comments.[22] This topic was also the subject of a breakout discussion at the workshop and similar suggestions were offered.

Staff Analysis: To ensure that the CEP is consistent with the clean energy targets in HB 2021 and the IRP, Staff suggests that acknowledgement of both the IRP and the CEP consider whether the IRP Preferred Portfolio achieves the clean energy targets in HB 2021 (with DEQ verification) and whether the CEP is fully aligned with the IRP in terms of assumptions, analysis, and actions. Consistency with the IRP will ensure that many of the considerations that are listed in HB 2021 §5(2) will be addressed without separate evaluation in the CEP. From Staff's perspective, these overlapping considerations include: economic and technical feasibility, reliability, the availability of federal incentives, and costs and risks to customers. Staff notes that economic feasibility and costs and risks to customers are addressed by IRP Guideline 1(c) and reliability is addressed by IRP Guidelines 4(c) and 11. Technical feasibility is not directly addressed within the IRP Guidelines, but such consideration is consistent with current practice in the IRP and was discussed in Order No. 07-002 (page 4):

> We do not want utilities to limit their consideration to currently available resources, but rather to include all those that are expected to become available. We prefer the IRP be inclusive of all such resources and allow the parties to debate in the planning process whether it is reasonable to rely on a new technology.

Consideration of the availability of federal incentives is also consistent with current IRP practices and helps to ensure that IRPs are consistent with federal energy policies (IRP Guideline 1(d)).

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[19] The significance of IRP acknowledgement was described in Order No. 89-507 and reaffirmed in Order No. 07-002 at page 24: "When a plan is acknowledged by the Commission, it will become a working document for use by the utility, the Commission, and any other interested party in a rate case or other proceeding before the Commission[.] Consistency with the plan may be evidence in support of favorable rate-making treatment of the action, although it is not a guarantee of favorable treatment. Similarly, inconsistency with the plan will not necessarily lead to unfavorable rate-making treatment, although the utility will need to explain and justify why it took an action inconsistent with the plan."

[20] OSSIA's Response to Roadmap Acknowledgement Questionnaire. Page 4.

[21] Energy Advocates' Response to Roadmap Acknowledgement Questionnaire. Page 10.

[22] Id.

And finally, Staff's recommendation for interim IRP guidance described in Topic #5 would ensure that the IRP also addresses the pace of reductions in greenhouse gas emissions, environmental and health benefits, and impacts and benefits to communities, including environmental justice communities. The Commission may provide further guidance regarding CEP acknowledgement criteria based on considerations not already addressed within the IRP Guidelines, proposed IRP guidance, or current IRP practices.

From Staff's perspective, the items that would not already be addressed within the IRP if the straw recommendation in Topic #5 were to be adopted, include resiliency and "any other relevant factors as determined by the commission." Staff discusses the topic of resiliency further in Chapter 2 of this straw proposal. With respect to "other relevant factors," Staff agrees with the many stakeholders who identified impacts and benefits to communities as relevant to CEP acknowledgement to ensure consistency with HB 2021 §2(2) and §2(4). Staff sees the inclusion of community impacts and benefits metrics in Topic #3, Topic #5, and Topic #8 as critical to ensuring that the plans evaluate impacts and benefits to communities. However, Staff is concerned that simply reporting community impacts and benefits metrics may not be sufficient to advance the objectives of HB 2021 if those metrics do not adequately reflect community perspectives.

Staff appreciates the concrete suggestions provided by Energy Advocates for creating accountability around the utility engagement of communities in this effort. Staff believes that it is appropriate to require the utilities to thoroughly document the opportunities created for community input, the input received, and how that input influenced or did not influence the plan. Staff notes, however, that such information would be presented from the perspective of the utility and that successful engagement may look different from the perspective of the utility and the perspectives of those who are participating in the utility's process. To provide more direct information to the Commission, Staff sees a survey of participants as a valuable tool. Staff notes that while the UCBIAGs have not yet been established, survey design and additional accountability measures may be useful topics to address with the UCBIAGs for future cycles once they have been established.

Staff offers three straw proposals on these topics at this time: achievement of the clean energy targets, alignment with the IRP, and considerations regarding community engagement. Staff notes that these proposals are not exhaustive with respect to CEP acknowledgment considerations and are limited to these three specific topics. Additional considerations for CEP acknowledgement may be addressed at future workshops and in future straw proposals within this docket.

Staff Proposal *(effectuate through guidance to the utilities)**:***

To inform the Commission's acknowledgment decision, utilities should address the following in the CEP:

- **Whether the plan achieves the clean energy targets set forth in HB 2021:**
  - **The CEP should demonstrate how the IRP Preferred Portfolio achieves the emissions reductions targets set forth in HB 2021, with DEQ verification.**
- **Consistency with the IRP:**
  - **The CEP should explain how it is consistent with the concurrently filed IRP in terms of assumptions, analysis, and planned actions.**

- **To the extent that an analysis supporting the CEP was conducted in another docket (e.g. the IRP or DSP), the CEP should clearly reference that analysis.**

- **Effectiveness of community engagement:**
  - **The utility should report the following information regarding community engagement in developing the plan: what opportunities were provided for input and how was accessibility prioritized across those channels, what input was received through each channel, how was input incorporated into the IRP/CEP, what input was not incorporated into the IRP/CEP and why was that input not incorporated, and what plans does the utility have for modifying the engagement strategy in future planning cycles.**
  - **The utility should also survey participants who provided input on their experiences participating in the utility's process and their perspectives on how their input influenced the plan. Survey responses must be included with the plan.**

Topic #7. Non-acknowledgment, partial acknowledgment, and conditional acknowledgement of the CEP, and interdependences with IRP acknowledgement

Issue Background: HB 2021 §5(2) requires that,

> The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act.

Staff sought feedback on what happens if a CEP is not acknowledged.

Stakeholder Input: CUB recommended that concerted efforts should be made to ensure the utilities "get CEP's right the first time" given HB 2021's aggressive timeline.[23] But, in the event that a CEP is not acknowledged, CUB recommended the "utility should be required to revise the noncompliant portions and resubmit the CEP in an expedited manner."[24] PGE suggested that utilities should re-file if the CEP is not acknowledged, but also recommended that the Commission allow the utility to continue with the IRP Action Plan if CEP non-acknowledgement is due to reasons "outside of the utility's control."[25] Energy Advocates recommended CEPs, like IRPs, should either be approved, rejected, or approved with conditions.[26] However, the Energy Advocates recommended that if the CEP is not acknowledged (or if there are significant conditions), the IRP should not be acknowledged.[27]

At the workshop, some stakeholders also suggested that acknowledgement of the CEP take a similar form to acknowledgement of the IRP, specifically that the Commission consider partial acknowledgement or acknowledgement with conditions in cases where the Commission is not satisfied with the entirety of the plan.

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[23] CUB's Response to Roadmap Acknowledgement Questionnaire. Page 4.
[24] Id.
[25] Id. Page 5.
[26] The Energy Advocates' Response to Roadmap Acknowledgement Questionnaire. Page 9.
[27] Id. Page 10.

Staff Analysis: Utilities should be making every effort to meet the requirements of HB 2021 for the CEP. Towards that end, the Commission may provide the energy utility an opportunity to revise the CEP before issuing an acknowledgment order – like it can do with an IRP.[28] Staff plans to propose this as part of the IRP rule update in the procedural workstream.

If the Commission finds that the plan does not meet the requirements set forth in HB 2021, then the utility should be required to revise and resubmit the plan in a timely manner before acknowledgment. The amount of time required to adequately revise the plan may depend on the extent of the revisions and would ultimately be up to the Commission to determine.

Regarding the relationship between CEP and IRP acknowledgement, Staff sees the acknowledgement decisions for the CEP and IRP as highly interdependent. IRP Guideline 1(d) states that "The plan must be consistent with the long-run public interest as expressed in Oregon and federal clean energy policies." The purpose of the CEP is to demonstrate that the utility's plan complies with HB 2021, a clean energy policy of the state of Oregon. From Staff's perspective, non-acknowledgement of the CEP would indicate that the plan is not consistent with the requirements of HB 2021, and therefore the IRP would not meet Guideline 1(d). In this way, IRP acknowledgement may depend on CEP acknowledgement.

HB 2021 §3(a) implies that the CEP is also highly dependent on the IRP:

> [a] clean energy plan must be based on or included in an integrated resource plan filing… or developed within an integrated resource planning process and incorporated into the integrated resource plan filed with the commission.

To address these interdependencies between the IRP and CEP, Staff proposes that the Commission consider IRP and CEP acknowledgement decisions together so that CEP considerations can inform IRP acknowledgement and IRP considerations can inform CEP acknowledgement.

Staff agrees that partial acknowledgement and acknowledgement with conditions are useful and efficient tools to address deficiencies while enabling implementation of plan components that have been adequately vetted and are determined by the Commission to be in the public interest. Staff recommends that these tools also be considered by the Commission in weighing CEP acknowledgement, as appropriate.

***Staff Proposal** (effectuate through procedural rules):*

IRP and CEP acknowledgement may be considered together in a single acknowledgement order. The Commission may provide the energy utility an opportunity to revise the IRP or CEP or both before issuing an acknowledgment order. If the CEP is not fully acknowledged, the utility must revise and resubmit all or certain elements of the initial filing and the Commission may then acknowledge the revised elements.

Topic #8. Annual update

Issue Background: HB 2021 does not explicitly require an annual update filing with the Commission. However, multiple stakeholders suggested in their questionnaire responses that

[28] See OAR 860-027-0400(6).

an annual update filing might provide additional transparency and accountability as utilities implement their plans. Staff sought additional feedback on this topic at the workshop.

Stakeholder Input: CUB and Energy Advocates suggest a required annual update filing where the utility would report performance relative to annual goals and provide their DEQ emissions accounting reports to the OPUC.

At the workshop, Staff sought feedback on whether there should be an annual filing or whether the IRP Update could be leveraged to provide this information. Some stakeholders expressed a preference to limit the number of filing and dockets and some noted that if modifications to the utility's plans would be considered in an annual filing, then such filings should incorporate substantial involvement of the public.

Staff Analysis: Staff agrees that it will be important for utilities to provide information regarding performance with respect to annual goals and metrics with some regularity between plans so that the Commission can evaluate the utility's progress and respond if the utility is not meeting the objectives of HB 2021. Staff is also sensitive to the number of planning-related dockets and filings and shares concerns regarding the ability of stakeholders to meaningfully engage in additional regulatory processes.

From Staff's perspective, the primary value of an annual update filing would be transparency into the utility's progress to date using the goals and metrics established in a prior plan, rather than re-opening planning questions in a manner that would require significant stakeholder input. Staff is also sensitive to the logistical considerations and constraints that might affect the timing of such update filings. For example, if such an update filing were to be required on an annual basis, it would provide the most value if it were filed after finalization of the DEQ emissions reports and after the utility has had a chance to evaluate performance on each of the annual goals and metrics included in the plan. Given the timing uncertainty across these activities at this time and the desire to consolidate regulatory processes where possible, Staff does not believe that adding a requirement for an annual update filing makes sense at this time. Instead, Staff proposes that the utility provide progress updates within the IRP Update.

***Staff Proposal** (effectuate through procedural rules):*

The utility shall provide the following additional information in IRP Updates that follow CEP filings:

- **Progress to date relative to each annual goal for resource actions presented in the CEP. If resources have been secured, the utility should quantify the amount of each resource using the same units presented in the CEP.**
- **Measured impacts across the same metrics that were presented in the CEP, including, at a minimum: greenhouse gas emissions intensity; total greenhouse gas emissions broken out by individual fossil fuel resources, market purchases, and market sales; average electric rates for Oregon customers; and the community impacts and benefits metrics. See Chapter 2 for details.**
- **Any DEQ emissions reports filed since the CEP.**

Chapter 2 – Community Lens Straw Proposal

Straw Proposal Background

In its UM 2225 Investigation Work Plan, Staff identified Community Lens issues as a priority for near-term guidance. Staff's objective for this work stream is to set expectations for these new analytical requirements:

1. Risk-based resiliency analysis found in ORS 469A.415(4)(c);
2. Offsetting fossil fuels with community-based renewable energy projects (CBREs) analysis found in 469A.415(4)(d); and
3. The overall need to begin incorporating non-energy benefits into utility planning, including 469A.420(2)(a) and (f).

Process Informing the Straw Proposal

Stakeholders completed a questionnaire explaining how they envision these analyses. Staff received questionnaire responses from:

- Energy Advocates [The NW Energy Coalition, Climate Solutions, Spark Northwest, Oregon Solar + Storage Industries Association (OSSIA), Multnomah County Office of Sustainability, and Rogue Climate]
- The Coalition of Communities of Color, Rogue Climate, Verde, Multnomah County Office of Sustainability, and Sierra Club
- Oregon Citizens' Utility Board (CUB)
- PacifiCorp (PAC)
- Portland General Electric (PGE)
- Renewable Northwest (RNW)
- Swan Lake pumped hydro storage project (Swan Lake)

Following the questionnaire, parties participated in two educational webinars:

- June 2, 2022: Introduction to Community Benefits Methods (presentation and recording)
- June 15, 2022: Introduction to Resiliency Planning (presentation and recording)

Staff tested areas of alignment and solicited additional input on remaining questions at the June 29, 2022 workshop (recording). Staff's key learnings from this process include:

- Parties have clear, detailed expectations for the resiliency risks and opportunities that should be considered in the Community Lens analysis.
- Parties have clear, detailed expectations about the community impacts and benefits that the utilities should begin incorporating into the CEP (and planning in general).
- Community Lens analysis and the identification of community impacts and benefits should be developed in coordination with community and other stakeholders.
- Community Lens analysis should leverage other planning activities and identify incremental resiliency and other CBRE opportunities.
- The utilities should satisfy the HB 2021 Community Lens requirements by establishing utility acquisition targets and explaining actions that the utility will take to reach those targets.

Straw Proposal Overview

The remainder of this proposal outlines the near-term guidance that Staff proposes for utilities in the first CEP and IRP based on these discussions, including:

- Identifying Community Lens acquisition targets and associated actions to achieve them
- The opportunities that should be considered in developing acquisition targets and actions to achieve them;
- The identification of Community Benefits Indicators (CBIs) for use in the first CEP and IRP;
- Additional analytical guidance related to offsetting fossil fuels with resiliency projects and other community based renewable energy projects (CBREs); and
- Additional analytical guidance for evaluating resiliency risks and opportunities.

Straw Proposal Details

In its UM 2225 Investigation Work Plan, Staff identified Community Lens issues as a priority for near-term guidance. Staff's objective for this work stream is to set expectations for these new analytical requirements:

4. Risk-based resiliency analysis found in ORS 469A.415(4)(c);
5. Offsetting fossil fuels with community-based renewable energy projects (CBREs) analysis found in ORS 469A.415(4)(d); and
6. The overall need to begin incorporating non-energy benefits into utility planning, including ORS 469A.420(2)(a) and (f).

Stakeholders completed a questionnaire explaining how they envision these analyses. Staff received questionnaire responses from:

- Energy Advocates (The NW Energy Coalition, Climate Solutions, Spark Northwest, Oregon Solar + Storage Industries Association (OSSIA), Multnomah County Office of Sustainability, and Rogue Climate)
- The Coalition of Communities of Color, Rogue Climate, Verde, Multnomah County Office of Sustainability, and Sierra Club
- Oregon Citizens' Utility Board (CUB)
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Staff tested areas of alignment and solicited additional input on remaining questions at the June 29, 2022 workshop (recording). Staff's key learnings from this process include:

- Parties have clear, detailed expectations for the resiliency risks and opportunities that should be considered in the Community Lens analysis.
- Parties have clear, detailed expectations about the community impacts and benefits that the utilities should begin incorporating into the CEP (and planning in general).

- Community Lens analysis and the identification of community impacts and benefits should be developed in coordination with community and other stakeholders.
- Community Lens analysis should leverage other planning activities and identify incremental resiliency and other CBRE opportunities.
- The utilities should satisfy the HB 2021 Community Lens requirements by establishing utility acquisition targets and explaining actions that the utility will take to reach those targets.

The remainder of this proposal outlines the near-term guidance that Staff proposes for utilities in the first CEP and IRP based on these discussions, including:

- Identifying Community Lens acquisition targets and associated actions to achieve them
- The opportunities that should be considered in developing acquisition targets and actions to achieve them;
- The identification of Community Benefits Indicators (CBIs) for use in the first CEP and IRP;
- Additional analytical guidance related to offsetting fossil fuels with resiliency projects and other community based renewable energy projects (CBREs); and
- Additional analytical guidance for evaluating resiliency risks and opportunities.

Topic #1. Community Lens Acquisition Targets

Staff believes that the most feasible and impactful implementation of the Community Lens analyses required by HB 2021 [469A.415(4)(c) and (d)] is to perform a dedicated analysis for use in setting acquisition targets for resiliency projects and other CBREs. The risk of undervaluation and the complexities of identifying the technical potential and resource shape for CBREs in the IRP is similar to that of demand-side resources (energy efficiency and demand response). Therefore, Staff proposes similar treatment for the identification of CBREs.

PacifiCorp proposes to identify opportunities for CBRE acquisition after performing portfolio analysis. Instead, Staff recommends that the utilities begin with a potential study that helps utilities identify the right level of CBREs as part of a portfolio that balances cost, risk, emissions reductions and community impacts and benefits.

Given the timing and novelty, Staff believes that utilities should have flexibility in incorporating the results of the potential analysis into portfolio modeling in the first CEP and IRP. Ideally, the results of the potential analysis are fully integrated into portfolio analysis, with the selection of CBREs occurring concurrently with other resource actions based on a holistic evaluation of cost, risk, GHGs, and CBIs. However, the utilities may only have time to identify a fixed level of CBRE acquisition in the first IRP/CEP based on an outside analysis within the potential study and to optimize the rest of the portfolio around those CBRE acquisitions.

As with all elements of the Community Lens analysis, Staff proposes that these studies and their incorporation into the CEP/IRP analysis are developed with community and other stakeholders.

Staff recommendation:

- ***The first CEP will include a potential study (or studies) that identifies opportunities for resiliency projects and other community-based renewable energy projects (CBREs) developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff.***
  - ***The potential study will inform or directly identify acquisition targets (e.g., MW, MWh) for resiliency projects and other CBREs per year.***
  - ***The potential study will inform or identify the acquisition targets that appropriately balance cost, risk, the pace of greenhouse gas emissions reductions, and community impacts and benefits.***
  - ***The potential study will measure community impacts and benefits based on community benefits indicators (CBI) established by the utility. [Further details in Topic #3]***
- ***The CEP will include a discussion of acquisition targets and actions that the utility will take in the action plan window to reach those targets e.g., utility procurements, utility run programs (existing and/or new), utility partnerships with other entities' programs, and projections for other customer and community-driven actions. [Further details in Topic #2]***
  - ***If a specific project is proposed to meet some or all of the acquisition target, the utility will describe the timing, project status, status of any partnerships, and any other known critical path items involved.***

Topic #2. Opportunities Considered within Community Lens Potential Studies

Guidance for the opportunities for resiliency projects and other CBREs will be used in two ways:

1. Performing the Community Lens potential study or studies; and
2. Describing the actions that the utility will take to achieve its CBRE acquisition targets.

Consistent with the recommendations for annual actions within the Roadmap Acknowledgement guidance in Chapter 1, Staff proposes that the resiliency and other CBRE opportunities focus on actions that actions that facilitate GHG reductions by producing nonemitting energy (e.g. renewable generation) or reducing the reliance on fossil resources to meet demand (e.g. energy storage and demand-side actions). Staff believes that it will be helpful to understand if there are other actions, such as undergrounding lines connected to a microgrid, that should be included in the costs and benefits of a CBRE, as well.

As with all elements of the Community Lens analysis, Staff proposes that opportunities are further developed with community and other stakeholders.

Staff recommendation:

- ***Opportunities for resiliency projects and other CBRE actions should be developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff.***
- ***Opportunities can include demand, supply, and storage actions that help facilitate greenhouse gas emissions reduction.***

Topic #3. Community Benefits Indicators

Staff finds that the incorporation of community impacts and benefits into the CEP and related planning activities is a critical near-term priority for the implementation of HB 2021. Staff anticipates that utilities will eventually use CBIs comprehensively in planning (i.e., across potential studies, portfolio scoring, procurement, program design, metrics that create baselines and measure progress toward CEP goals, and broader performance measures for utility investments.) Staff understands that the detail and rigor of CBIs will need time to mature based on shared learnings and evolving consultation with customers and stakeholders. Staff also expects alignment to improve across PUC-led activities, such as transportation electrification budget and program management and the development of low-income needs assessments (LINA) to support implementation of House Bill 2475.[29]

Given the time and modeling constraints present at this time, and the work underway to establish Utility Benefits and Impacts Advisory Groups, Staff believes that it is reasonable to expect the utilities to use a minimum set of preliminary measures of community impacts and benefits in the first CEPs and associated IRPs. Staff also believes that these measures should not be restricted to evaluating CBRE opportunities. It will be equally important to understand the performance of all portfolio actions along these measures *[Further details in Topic #4]*.

Staff's proposed minimum categories are designed to be flexible but clear in setting expectations for the scope of CBIs expected in the first CEP and associated IRP. These categories are broad enough to be refined with community, stakeholders, and Staff, during the utilities' implementation of the Planning Engagement Strategies.[30] Staff has attached a more detailed proposal from a coalition of advocates (Attachment A – Stakeholder CBI proposal). While implementing this level of detailed measures and developing the associated metrics may not be possible for the first CEP and IRP, Staff believes that the utilities should incorporate this input into the development of their CBIs to the extent practicable and to clearly explain any input that is not addressed in the first CEP and IRP, consistent with Chapter 1 Roadmap Acknowledgment guidance. The utilities should continue to work with community, stakeholders, and Staff to evolve their CBI implementation on a timeline that will allow some CBI metric tracking by the time that the first IRP/CEP Updates are filed.

Finally, Staff encourages the utilities to consider the health impacts of energy efficiency in working to develop a CBI(s) for health and community well-being.

Staff recommendation:

- ***The utility will develop community benefits indicators in coordination with representatives from the communities served by the utility and with input from stakeholders and Staff.***
- ***The community benefits indicators (CBIs) will be used in the Community Lens potential study or studies and scoring each portfolio in the IRP.***
- ***At a minimum, the utilities will use quantifiable and measurable CBIs in development of the first CEP/IRP within each of the following CBI topic areas:***
  - ***Resilience (system and community) [Further detail in Topic #5],***
  - ***Health and community well-being,***

[29] See Docket Nos. UM 2165 and UM 2211, respectively.
[30] See updated planning engagement strategies for PAC and PGE.

- ***Environmental impacts [Further detail in Topic #4]***
- ***Energy Equity (distributional and intergenerational equity), and***
- ***Economic impacts.***

Topic #4. Off-setting Fossil Fuels with CBREs

HB 2021 requires that the CEP examine the "costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy." [469A.415(4)(d)]

Because the CEP and associated IRP will be focused on weighing the cost, risks, and benefits of different actions to comply with HB 2021, the most straightforward way to satisfy this requirement is to ensure that the utility consistently and transparently reports on the emissions of portfolios with CBREs. This should reflect similar treatment for CBREs with current practices for demand-side resources in the IRP.

Staff recommendations

- ***The utility must incorporate the CBRE acquisition targets into IRP portfolio modeling in a manner that accounts for their expected costs and their expected impacts on the IRP resource portfolio performance, including impacts to resource dispatch and fuel burn, portfolio emissions, resource adequacy needs, and resource additions.***
- ***If system-wide benefits exist for a potential CBRE or resiliency opportunity, the utility must quantify those benefits in a manner consistent with the IRP when evaluating the opportunity for inclusion in the CEP. System-wide benefits are not limited to, but may include: resource adequacy contributions, energy value, avoided GHG emissions, and avoided transmission.***

Topic #5. Resiliency-specific guidance

Staff greatly appreciates the detailed comments related to the incorporation of resiliency risks and consideration of opportunities that includes "costs, consequences, outcomes and benefits." While industry standards and guidelines are an emerging field, Oregon stakeholders have an impressive depth and sophistication of understanding in this area that Staff finds invaluable.

For the first CEP and associated IRP, Staff proposes that community and system resilience are explored through the Community Lens potential study or studies described in Topic #s 1-4. Given the importance of this topic, Staff provides additional analytical guidance below, based on stakeholder input and the existing research presented by the Grid Modernization Laboratory Consortium (GMLC). Staff intends for this guidance to set clear minimum expectations while providing utilities flexibility to implement what is feasible and do so in coordination with community, stakeholders, and Staff.

In addition to the below analytical guidance, Staff expects that the utilities look to the GMLC report on industry standards and best practices for more detailed direction for implementing Staff's guidance. Staff will clarify these items to the extent possible when the report is delivered to UM 2225 parties and when it is presented to the Commission for adoption. In other words, this guidance is the 'what' and the GMLC report will elaborate further on the 'how'. And, with all Community Lens items, the final product should be developed in coordination with community, as well as stakeholders and staff.

In general, stakeholders agree that resiliency should consider the reliable provisioning of electricity, regardless of the adverse conditions, and expected that the risks to be considered should be tailored to the individual communities. From Staff's perspective, expansion of industry-standard metrics to account for all ranges of conditions under which the electric system delivers is a valid metric to determine extreme day performance, however it is not able to fully address the range of extreme events for which the utilities must plan. Therefore, analysis should be cognizant of the location-and-population specific risks to the extent practicable. Further, since CEPs are long-range planning instruments, they need to consider changes that could occur over decades and how the changes shift the resilience of a given community. Therefore, consultation with communities and with experts who study and forecast substantial changes, such as climate change, long term supply concerns and others is warranted.

The guidance below relies on the following key takeaways from stakeholders and industry experts:

- Resilience should be treated as a key CBI in the first CEP and associated IRP.
- Utilities should have flexibility to determine if resilience requires a separate potential study, but Staff cautions against duplicative studies given the overlap in opportunities and benefits with other CBREs.
- While a Commission-adopted resiliency metric is not feasible for the first CEP, the treatment of resiliency risks in implementing the resilience CBI should reflect a few minimum expectations.
- While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should remain consistent with the overall guidance for annual actions and CBRE opportunities, as well as other planning activities.

Staff recommendations:

- ***The first CEP must include a chapter dedicated to describing its resiliency-related analysis, including at minimum:***
    - ***How it was developed in coordination with representatives of communities that are served by the utility, and with input from stakeholders and Staff;***
    - ***How resiliency risks were examined and weighted;***
    - ***How resiliency opportunities were identified, measured, and weighted; and***
    - ***The key resiliency-related actions the utility will prioritize in the action plan window to support its CBRE acquisition targets.***
- ***When evaluating resiliency risks for the first CEP and associated IRP, the utility should at minimum:***
    - ***Account for system and community resilience.***
        - ***Identify risks that have been identified in other planning processes already as well as gaps in system and community resilience not filled by other planning activities, such as DSP and WPP.***
        - ***Consider the zone of tolerance for communities/populations within the service area.***

- ***Rely on measurable historical reliability performance measures that reflect:***
    - ***all outages (planned, major event, or underlying);***
    - ***the top causes for each day during which a major event occurred;***
    - ***the numbers of customers out and the restoration performance for their supply;***
    - ***The estimated impacts to the customers;***
    - ***The demographics of the community, including classification of energy equity or other social or environmental justice measures; and***

- ***While evaluating opportunities and developing actions to achieve CBRE acquisition targets, the utilities should reflect a few minimum expectations:***
    - ***Focus on actions that help facilitate emissions reductions (e.g., generation, storage, demand-side actions). However:***
        - ***The utility may include, for general understanding, if there are other actions, such as undergrounding lines connected to a microgrid that need to be included in the costs and benefits of a CBRE.***
        - ***The utility may include supplemental discussion of other actions the company is taking to further enhance the resiliency of its system and communities (such as situational awareness investments or helping customers access portable back up generation). This discussion would be for context only and if the actions are not facilitating emissions reductions, they should not be considered actions for the CEP.***
    - ***Consider opportunities to work with local communities on local resiliency planning.***
    - ***Consider and clearly differentiate actions that are related to other plans, such as DSP and WPP analysis, and those that are newly identified.***
    - ***If proposing a specific action, describe the cost, timing for delivery and implementation into utility operations.***

Attachment A – Stakeholder CBI Proposal

Staff received the following proposal from representatives of NW Energy Coalition, Coalition of Communities of Color, Verde, Rogue Climate, and the Columbia River Inter-Tribal Fish Commission.

Goal of Metrics:

- Guide utility resource selection in laying out their Clean Energy Plans, Integrated Resource Plans, and Request for Proposals in a way that ensures community benefits are delivered as called for in HB 2021.
- Monitor utility performance through the discussion of performance areas within CEPs, establishing targets within CEPs, and tracking metrics within CEP Reports.
- Consistently track and report on performance metrics to establish baseline data.
- Utilize data to evaluate utility CEP portfolio outcomes and gaps and make informed recommendations.
- Prioritize metrics that assess an equitable distribution of benefits and burdens as well as affordability.

Numbering Convention

1. Community Benefit Indicator
    a. Metric

Tribal Benefits and Priorities

Ecosystem/Non-Energy Benefits

1. Protect fish and reduce the region's pressure on the Columbia River ecosystem
    a. Increased number of salmon population in the Columbia River.
    b. Improved salmon migration routes.
    c. Overall healthier Columbia River ecosystems.
2. Meaningful bilateral engagement between utilities and tribes on siting.
    a. Meaningful consultation with Tribal members.
    b. No Tribal resources and ecosystems disturbed without Tribal consent.
    c. Increase in trust and partnership between Tribes and utilities.

Energy Benefits

1. Increased availability of electricity storage in Tribal and non-Tribal communities.
    a. Increase in battery storage that serve Tribal communities.
    b. Provide opportunity to Tribal communities to own storage.
    c. Reduced peak load, therefore reducing pressure on Columbia River.
    d. Less pumped storage sites.
2. Improve energy efficiency of housing stock in Tribal communities.
    a. Increase in energy efficient homes for tribal members.
    b. Reduction in Tribal energy burden.
    c. Increased number of weatherized homes for Tribal communities.
3. Increased number of clean energy generation that powers Tribal communities.
    a. Phase-out of fossil fuel resources.
    b. Increase in number of distributed clean energy resources owned by

Tribal communities.

Larger Community Benefits and Priorities

Energy Benefits

1. Improve efficiency of housing stock in utility service territory, including low-income housing:
    a. Increased funding of efficiency programs targeted to low income households, both owner and renter.
    b. Increased participation in efficiency programs.
    c. Reduction in bills due to actions taken to improve efficiency.
    d. Increase number and percentage of appliances converted to efficient models.
    e. Improvement and expansion of EE in rental housing stock.
2. Low income and vulnerable communities have access to an increasing number of renewable or non-emitting distributed generation resources:
    a. Increase in number of distributed and community renewable projects, including those with storage.
    b. Increase in number of community groups or public agencies that serve low-income and vulnerable communities and households that own renewable energy projects, especially ones paired with storage.
    c. Increase in number of community-owned storage, especially environmental justice and low-income communities.
    d. Increased percentage of electricity generated by distributed renewable energy projects, including storage for when renewable production is low.

Non-Energy Benefits

3. Community Employment opportunities:
    a. Increased number of local environmental justice and low-income communities' representation in clean energy apprenticeships and training programs in the state.
    b. Increase in number of living wage/union jobs sustained.
    c. Increased representation of low-income and vulnerable communities for contractors selected in local program delivery.
    d. Apprenticeship and contractor opportunities are made available to non-English speakers as well as women and veterans.

4. Health and Community well-being:
    a. Improved housing conditions: health and safety outcomes related to weatherization measure installation.
    b. Improved comfort in home (for example, customers' ability to heat/cool as needed, with efficient heat pump technology) and more affordable bills.

5. Improved Public Health outcomes:
    a. Reduction of hospital admissions for asthma and harmful emissions-related illnesses.
    b. Decreased wood use for home heating.
    c. Improvements in indoor and outdoor air quality in communities that experience poor air quality due to pollution.

Reduction of Burdens

6. Reduction in number of customers suffering from high energy burden by:
    a. customers in highly impacted communities;
    b. customers in vulnerable populations;
    c. participants in bill assistance programs;
    d. known low-income customers; and
    e. other residential customers with high energy burden.
7. Reduced barriers for program participation:
    a. Increased participation in bill assistance, weatherization, and energy efficiency programs, renewable and smart grid pilots and grant opportunities.
    b. Expanded translation services.
    c. Reduction in cost disparities between customers who have access to EV charging at home on a residential rate and customers who do not have access to EV charging at home.

Environment

8. Reduction of GHG emissions:
    a. Continuous reduction in overall greenhouse gas emissions in the utility service area.
    b. Increased electrification of buildings and homes, including those occupied by renters.
    c. Increased electrification of transit services.
9. Reduced Pollution Burden and Pollution Exposure:
    a. Decrease in share of population and pollution burden, by race/ethnicity, geography and all customer groups (e.g., income level, frontline community, senior citizens, medically vulnerable, rural/ urban, renter/homeowner, race, gender, ability/disability, language spoken, etc.).
    b. Decrease in air pollution exposure index, by race/ethnicity and all other customer groups.
    c. Reduction of particulates from fossil fuel burners in targeted neighborhoods.
    d. Improved air quality due to reduction in diesel particulate emissions.
10. Increase Neighborhood Safety:

a. Reduction in frequency and length of outages due to major disasters, wildfires, and extreme weather events through cost-effective investments to reduce risk.
b. Increased capacity of the local community to respond to local disasters or weather events.
c. Increase the number of critical facilities with solar paired with storage, so that local fire, policy, medical facilities, and other critical facilities can retain power during outages.

Energy Security

11. Reduced Residential Disconnections:
    a. Reduction in number and percentage of residential customer disconnections.
        i. Reduction in number and percentage of residential customer disconnections by location (and demographic info) of residential customer disconnections (zip code/census tract; renter; known low-income; highly impacted communities; and BIPOC customers).

12. Improved access to reliable clean energy:
    a. Increase distributed generation in low-income neighborhoods, focusing on ownership by low-income and highly impacted communities.
    b. Optimize grid investments on the distribution system through increased community-centered distribution system planning.

Resilience

13. Reduction in frequency and duration of blackouts or brownouts in target communities:
    a. Improve SAIDI and SAIFI, particularly in communities that have experienced long loss of service in the past.
14. Reduction in energy and capacity need:
    a. Increased participation in targeted demand response, load management, distributed generation and behavioral programs that result in a measurable reduction to peak demand.
    b. Increased acquisition of energy efficiency savings.
    c. Increased water savings due to water efficiency measures.
15. Reduction in recovery time and increase in survivability from outages:
    a. Increase number of neighborhoods with storage/backup/locally powered centers for emergencies.
    b. Increase access to renewable generation and storage in order to provide a safety net to households that rely on power to keep necessary medical equipment on and medications refrigerated.

Attachment 3 - Workshop Summary

Roadmap Acknowledgment and Community Lens Feedback
July 29th

Table of Contents

Objectives

- Check in on docket progress and plan for the next few workshops
- Share stakeholder responses to Roadmap & Community lens questionnaires
- Test areas of alignment in the Roadmap & Community lens questionnaires
- Solicit input on unanswered questions in the Roadmap & Community lens questionnaires
- Surface perspectives to inform future workshops

Agenda

[15 min] Intro & Welcome
[10 min] Plenary Check-In
[35 min] Roadmap Questionnaire Report Out and Discussion
[25 min] Community Lens Questionnaire Report Out and Discussion
[10 min] Break
[70 min] Breakout Discussions (2 rounds)
[15 min] Plenary Check-Out

Attendees

Angela Long, PGE
Brandon Capps (PacifiCorp)
Caroline Moore, OPUC Staff (she/her)
Christine Golightly, CRITFC

Corinne Milinovich
Diane Brandt (she/her), Renewable NW
Dina Dubson Kelley - Nova Gen Consulting
Elaine Hart, Moment Energy Insights
Emily Griffith (she/her) Renewable Northwest
Erin Apperson, she/her, PGE
Faisal Osman (He/Him) Multco Sustainability
Gabriella Tosado, RMI
Heide Caswell (she/her) OPUC Staff
Jack Watson, OSSIA
Jackie Wetzsteon, PacifiCorp
Jamie Johnson, RNW (she/her)
Jeni Hall
Jennifer Hill-Hart - Oregon CUB
Jessie Ciulla, RMI
Joe Abraham, OR PUC (he/him)
Joe Boyles (PGE)
Johanna Riemenschneider DOJ
John Seng (he/him) Spark Northwest
JP Batmale, OPUC (he/him)
Kacia Brockman, OPUC Staff
Kaitlin Lynch, OPUC Staff (she/her)
Kate Ayres - Oregon CUB (she/her)
Kristen Sheeran, PGE
Lauren Shwisberg, RMI
Lee Elder (PAC)
Marie Barlow (she/her), NewSun
Marli Klass (she/her) NWEC
Max Greene, RNW (he / him)
Natalia Ojeda-RNW OSW Intern
Nick Sayen, OPUC Staff
Oriana (she/her) Magnera (Verde)
Randy Baker - PAC
Rohini Ghosh - Pacific Power
Sam Newman (PGE)
Samantha Thompson (PGE)
Sarah Buchwalter, PacifiCorp
Sarah Hall - OPUC (Sarah Hall)
Shadia Duery, PGE (she/her)
Shannon Souza
Silvia Tanner (she/her) MultCo Sustainability
Steve Nakana, PGE (he/him)
Sudeshna Pal - Oregon CUB
Teri Ikeda, PacifiCorp
Todd Jones (CRS) (he/him/his)

Walle Brown, PGE, Energy Equity
Zach Baker - OPUC Staff (Zach Baker)
Zack Rogala (PAC)

Summary: Responses and Input to Inform the Roadmap & Acknowledgement Workstream

Workshop process notes

Elaine Hart, on behalf of staff, shared the areas of alignment seen in the roadmap questionnaire, and posed the following questions to stakeholders:

- Have we understood your responses?
- Do you have any new thinking in light of others' responses?
- Are there additional points you'd like to make?

RMI then polled stakeholders to understand their level of alignment with what staff shared.

Finally, stakeholders were asked to provide input into staff's Areas for Clarification on an interactive white board.

Planning & Acknowledgement Horizon

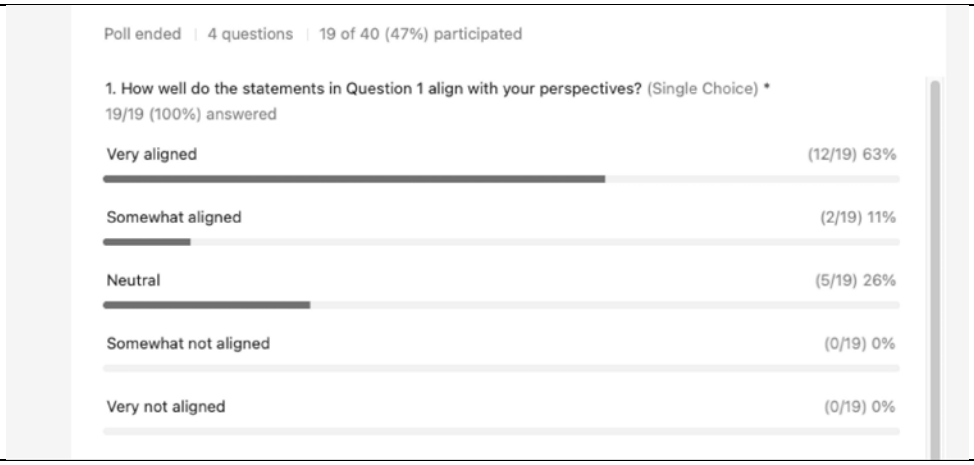
Staff shared: ***Q1. What should be the planning and acknowledgment horizon for the annual goals for action and clean energy targets in the Clean Energy Plan (CEP)?***

- *20 year analysis horizon, 2-4 year acknowledgement horizon, aligning with the IRP – achieves balance on long-term context with near-term rigor*
- *Goals for actions beyond the acknowledgement horizon ("future actions" or "draft actions") are indicative/informative and subject to change*

Summary of feedback: Stakeholders were mostly aligned with the statements staff shared, a few concerns were raised about:

- whether the acknowledgement horizon could effectively account for long-lead time resources,
- whether the analysis horizon was too long given uncertainty.

Detailed feedback

Polling results	
Feedback and Questions on Q1	• There's so little detail in outer year numbers, they are difficult to incorporate in action plan and IRP • Did not submit response to questionnaire, but want to highlight there's a lot of concern about the long lead time for transmission assets. Staff should incorporate that into the acknowledgements to facilitate these decisions and make sure to compare transmission assets to transmission alternatives—like comparing transmission assets vs. investing in more local resources. We can't acknowledge and action that's 10 years out, so how can we plan now what may need to happen that far out?

Annual Goals for Action

Staff shared: ***Q2. What details should the annual goals for actions include?***

- *Clean energy additions, with voluntary renewables broken out, and key attributes identified*
- *Energy efficiency and demand response*
- *Energy storage, broken out by customer and utility resources*
- *Transmission and other supporting infrastructure*
- *Resource retirements*
- *Changes in system operations*
- *Resiliency actions and community-based renewable actions*

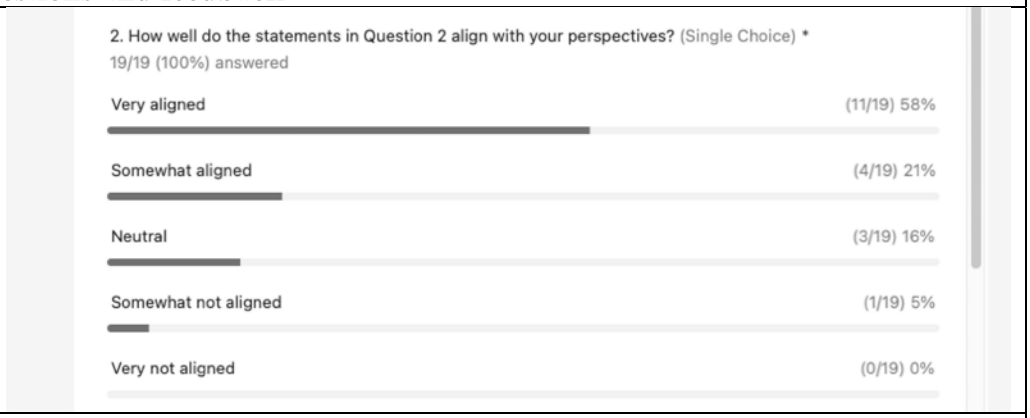
Summary of perspectives shared in the workshop: Stakeholders who participated in polling were mostly aligned with the statements staff shared, but to a lesser extent than the Acknowledgement and Planning Horizon statements.

Staff also asked for input on the following questions:

- "*Do the "annual goals" that are acknowledged include a) just actions, or b) actions and the impacts of those actions (e.g. GHGs). Note: GHGs will be reported in the CEP, but are there different perspectives on whether the Commission is acknowledging the GHG trajectory, or just the actions themselves?"*

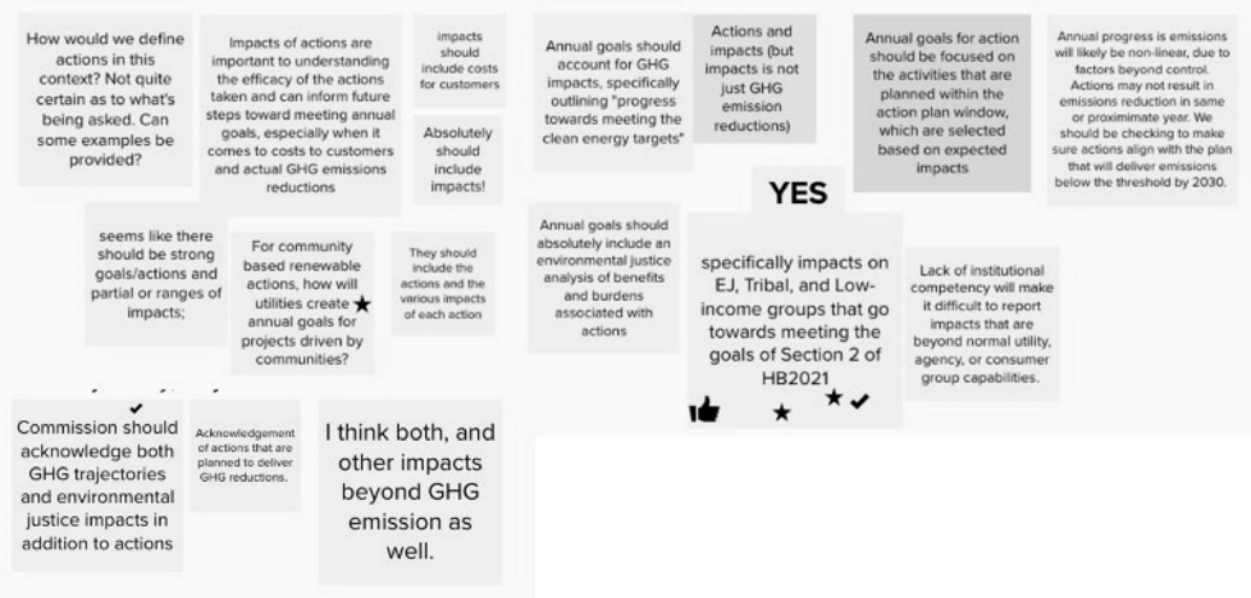
- *Should the utilities be required to file an annual update tracking progress with respect to the annual goals? What should be included in this filing? How might this filing be used by the Commission and stakeholders?*

Summary of perspectives shared in the workshop:
• Several respondents stated that impacts were important in addition to actions, including for metrics beyond GHGs such as environmental justice and customer cost impacts. • A few respondents raised that might be nonlinear and that there could be challenges in reporting impacts for specific customer groups. • Several respondents shared that GHG impacts are important to capture to inform future decisions. However, there are goals—like EJ and community benefits, resiliency, and other non-energy benefits that should also be acknowledged. • An annual update tracking progress should be filed, but it should be additional and useful, and to the extent possible build on existing updates or templates to reduce time and resources needed to create and evaluate.

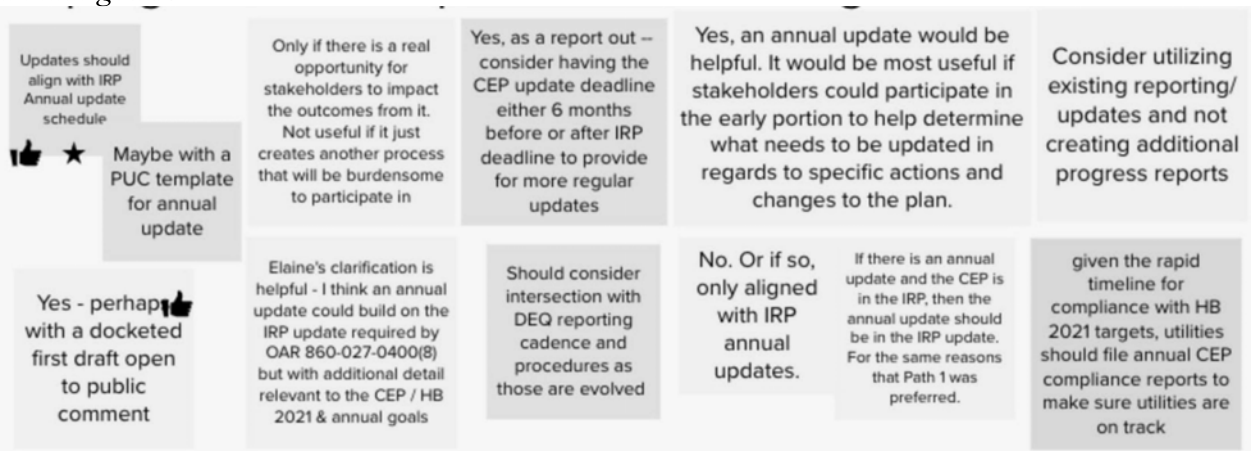
Stakeholder questions and feedback	
Polling results	
Feedback and Questions on Q2	• Marli: When you say impacts associated with these actions do you mean for example reducing the energy burden these actions may have? Staff: **Yes**

Stakeholders provided additional input on how to define annual goals in breakout rooms, in response to the questions:

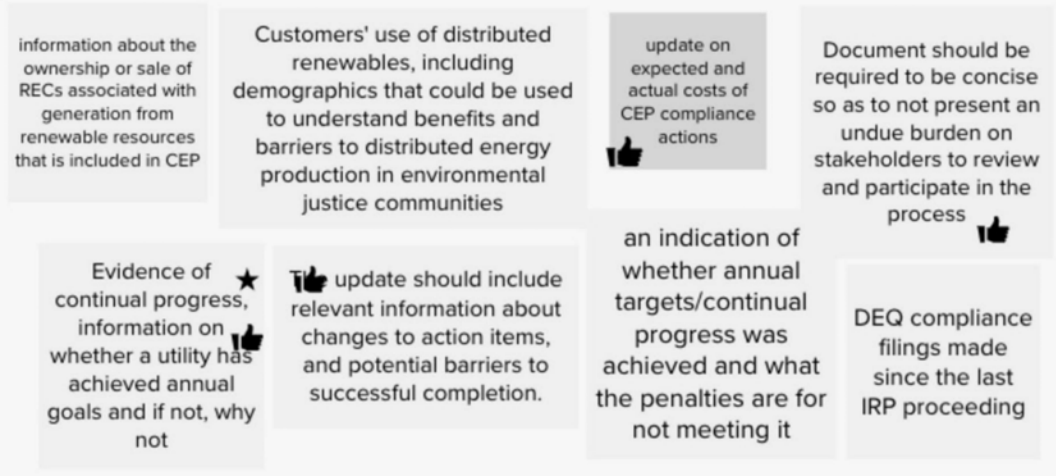
- "*Do the "annual goals" that are acknowledged include a) just actions, or b) actions and the impacts of those actions (e.g. GHGs). Note: GHGs will be reported in the CEP, but are there different perspectives on whether the Commission is acknowledging the GHG trajectory, or just the actions themselves?"*



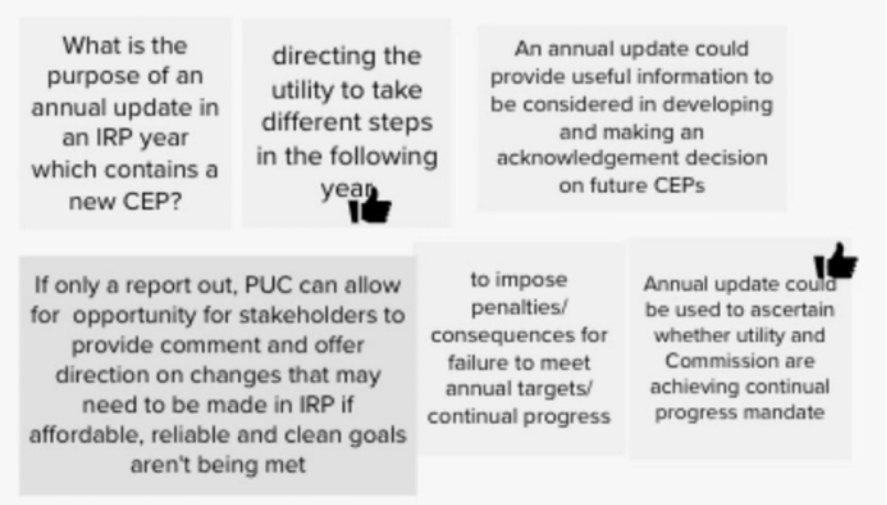
Should the utilities be required to file an annual update tracking progress with respect to the annual goals?



What should be included in this filing?



How might this filing be used by the Commission and stakeholders?

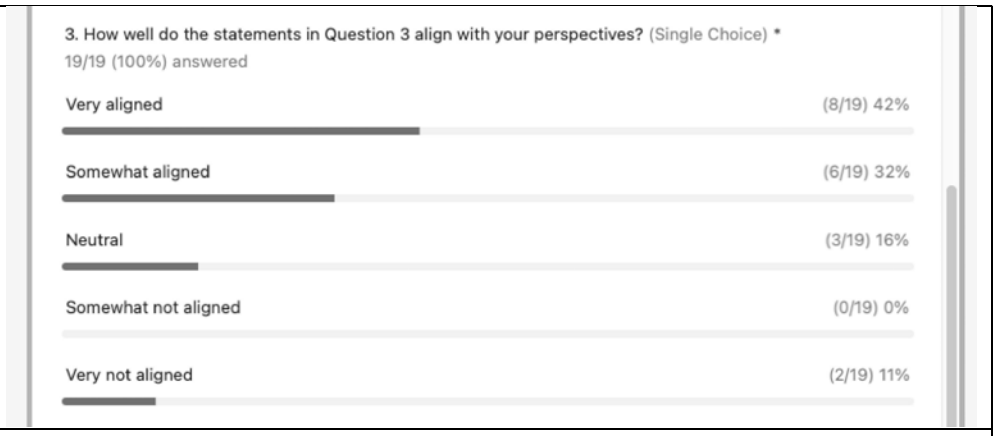


Compliance and Continual Progress

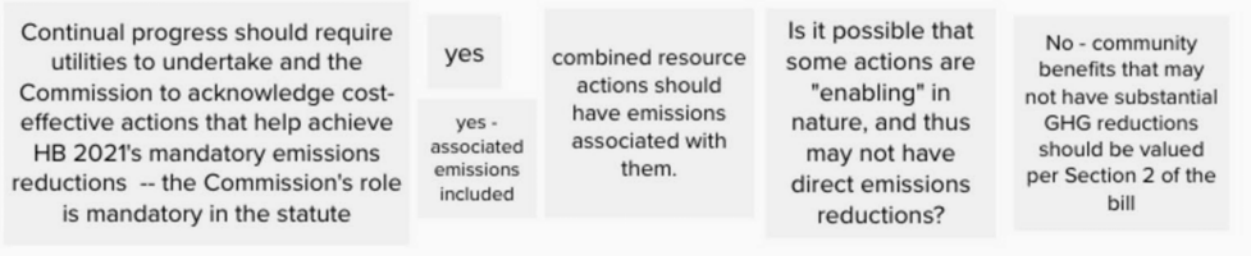
Staff shared: *Q3. How should compliance and continual progress be demonstrated and assessed?*

- *Continual progress can be evaluated by the Commission through the lens of balancing cost and risk in the IRP/CEP process, rather than following a predetermined and prescribed trajectory*

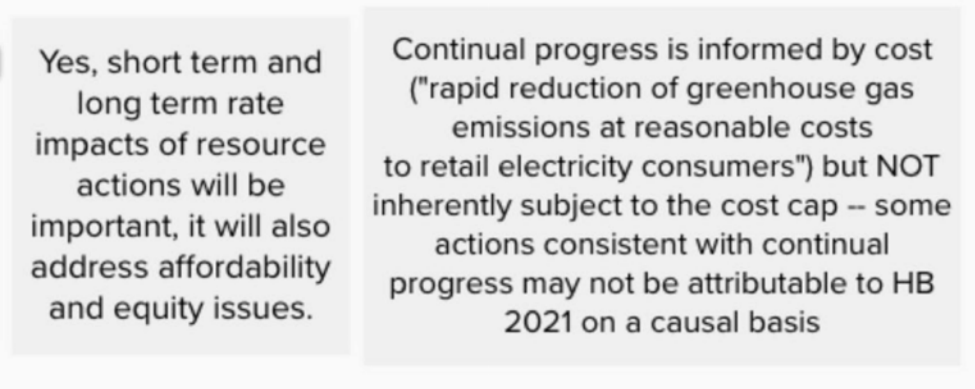
Stakeholder questions and feedback

Polling results	
Feedback and Questions on Q3	• No comments

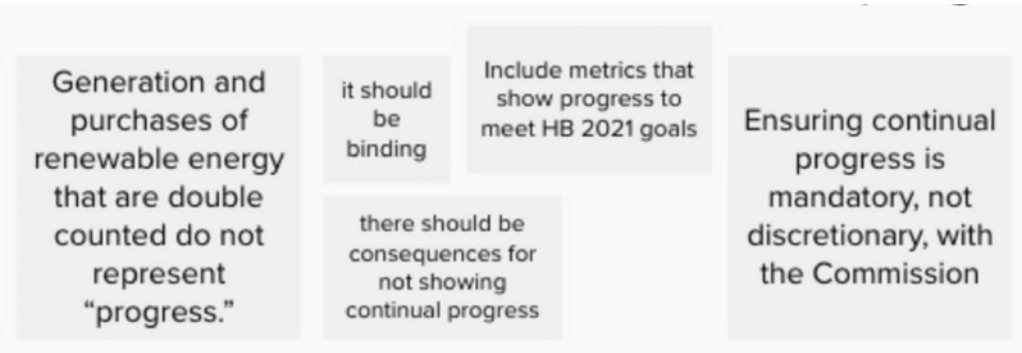
What should continual progress indicate? Should continual progress require all actions to have associated emissions reductions?



Should continual progress be constrained by the cost cap?



What does it mean for continual progress standard to be strong?



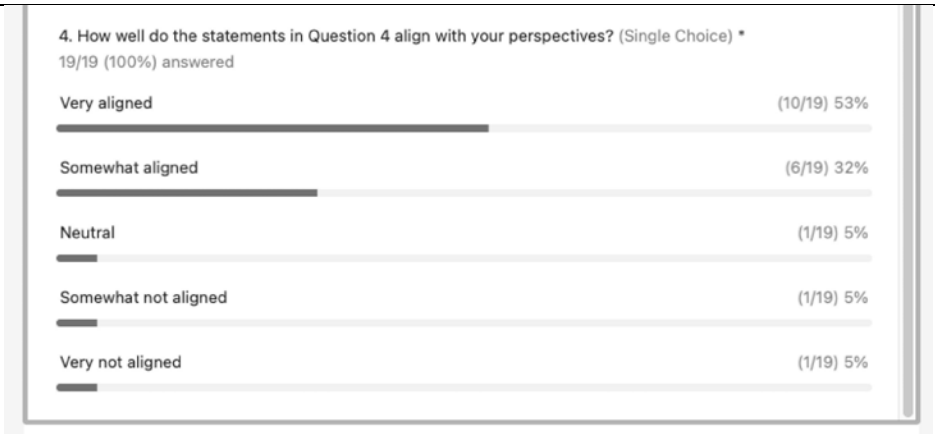
Acknowledgement

Staff shared: ***Q4. How do you envision Commission acknowledgement of the Clean Energy Plan & annual goals for actions?***

- *CEP acknowledgment should have similar standards (i.e. meets applicable rules and guidelines and is reasonable based on information known at the time) and carry the same meaning (i.e. not pre-approval) as IRP acknowledgement*
- *Acknowledgement should consider factors listed in HB 2021 (e.g. environmental and health benefits, benefits to communities, burdens for EJ and tribal communities, resilience, technical feasibility, and others)*

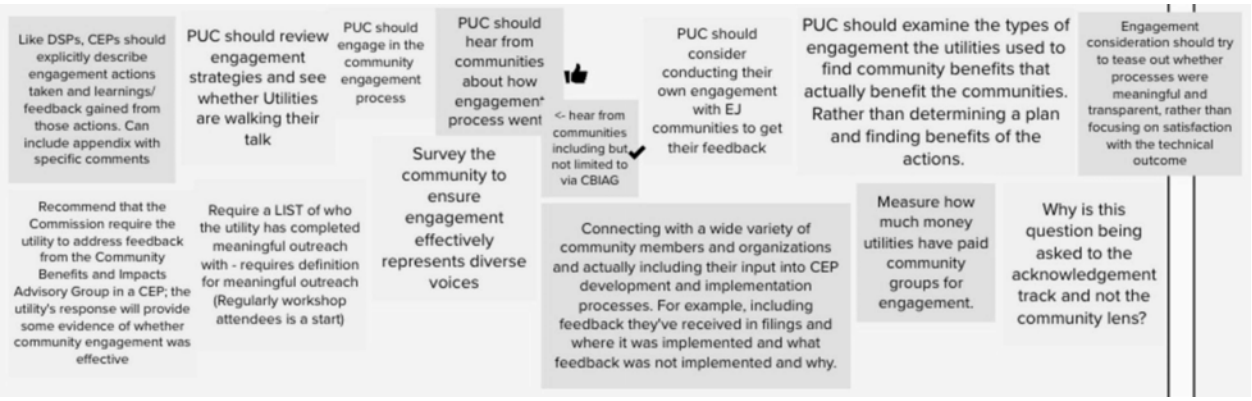
Staff also asked for input on the following questions:

- *How might the PUC evaluate whether the utility effectively engaged communities in developing the CEP?*
- *How might the PUC eval. whether the CEP was sufficiently transparent to enable meaningful public input?*
- *What should non-acknowledgement of a CEP mean for a utility?*

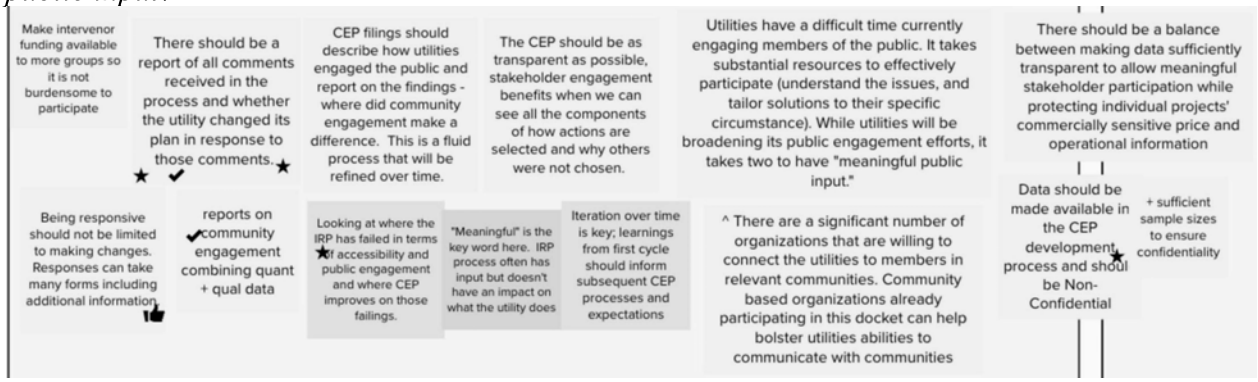
Stakeholder questions and feedback	
Polling results	
Feedback and Questions on Q4	• There's good consensus of how the CEP acknowledgement process should align with IRP acknowledgement process to avoid

	utility decision risks. The closer CEP is to the existing IRP process, the less "litigation" there will be. • We want EJ community engagement to to be a condition of acknowledgement. Their contributions should be meaningful and shape the utility's future. • Staff didn't observe people listing acknowledgement factors that were new, it's just an emphasis on IRP process factors correct? • There were suggestions for new information that should be included in the CEP such as some transparency information.

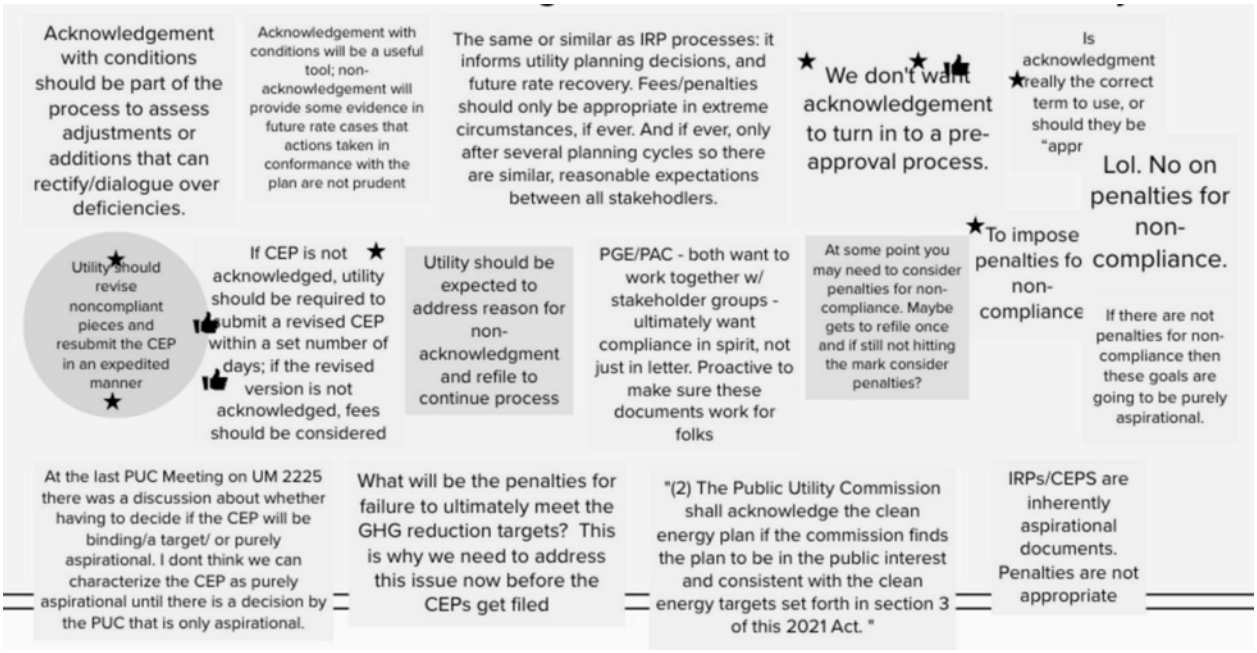
How might the PUC evaluate whether the utility effectively engaged communities in developing the CEP?



How might the PUC eval. whether the CEP was sufficiently transparent to enable meaningful public input?



What should non-acknowledgement of a CEP mean for a utility?


Acknowledgement with conditions should be part of the process to assess adjustments or additions that can rectify/dialogue over deficiencies.
Acknowledgement with conditions will be a useful tool; non-acknowledgement will provide some evidence in future rate cases that actions taken in conformance with the plan are not prudent
The same or similar as IRP processes: it informs utility planning decisions, and future rate recovery. Fees/penalties should only be appropriate in extreme circumstances, if ever. And if ever, only after several planning cycles so there are similar, reasonable expectations between all stakehodlers.
We don't want acknowledgement to turn in to a pre-approval process.
Is acknowledgment really the correct term to use, or should they be "appr
Lol. No on penalties for non-compliance.
If there are not penalties for non-compliance then these goals are going to be purely aspirational.
To impose penalties fo non-compliance
At some point you may need to consider penalties for non-compliance. Maybe gets to refile once and if still not hitting the mark consider penalties?
PGE/PAC - both want to work together w/ stakeholder groups - ultimately want compliance in spirit, not just in letter. Proactive to make sure these documents work for folks
Utility should be expected to address reason for non-acknowledgment and refile to continue process
If CEP is not acknowledged, utility should be required to submit a revised CEP within a set number of days; if the revised version is not acknowledged, fees should be considered
Utility should revise noncompliant pieces and resubmit the CEP in an expedited manner
At the last PUC Meeting on UM 2225 there was a discussion about whether having to decide if the CEP will be binding/a target/ or purely aspirational. I dont think we can characterize the CEP as purely aspirational until there is a decision by the PUC that is only aspirational.
What will be the penalties for failure to ultimately meet the GHG reduction targets? This is why we need to address this issue now before the CEPs get filed
"(2) The Public Utility Commission shall acknowledge the clean energy plan if the commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in section 3 of this 2021 Act. "
IRPs/CEPS are inherently aspirational documents. Penalties are not appropriate

Summary: Responses and Input to Inform Community Lens Workstream

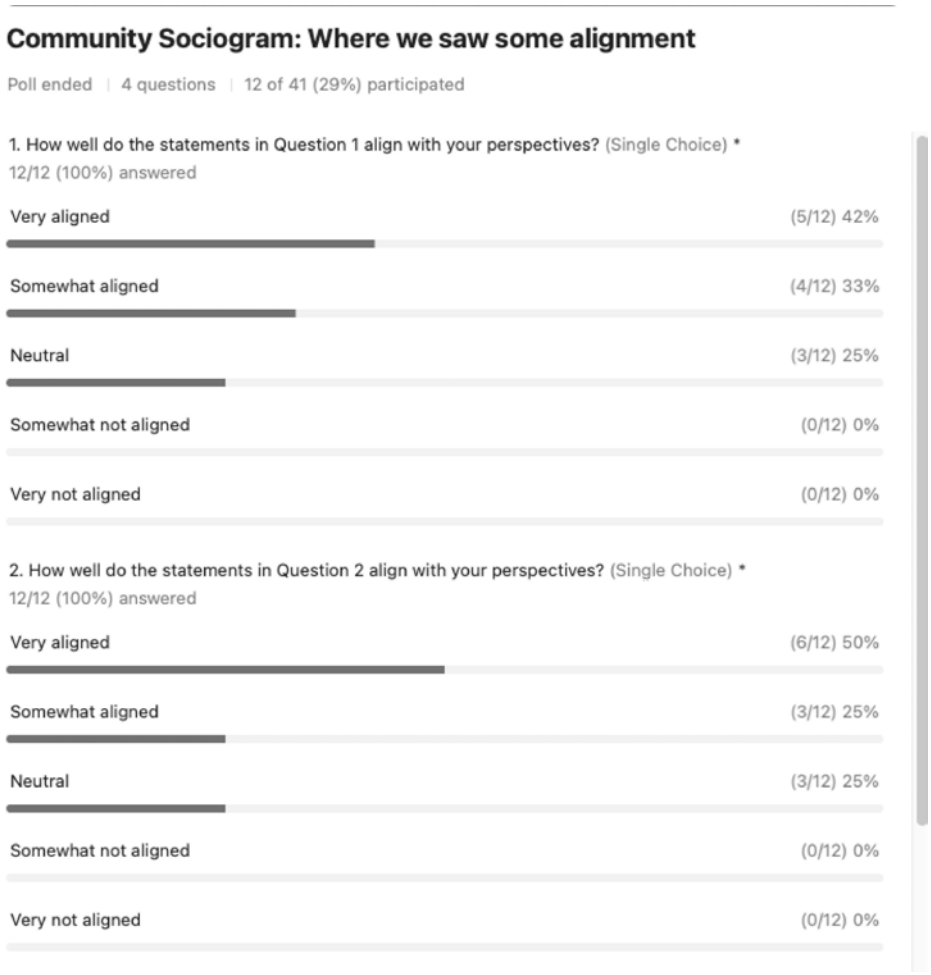
Workshop process notes

1. **In depth, clearly articulated proposals for the scope of the analyses (risks, opportunities, consequences, benefits)**
    - Potential risks: Climate (extreme weather, flooding, wildfire, winter storms, heat and wind related impacts, lightning); Climate change; External forces (earthquake, civil unrest, terrorism, telecommunications outages, supply chain)
    - Potential benefits: Health, Climate, Economic
    - Potential opportunities: distributed generation; microgrid; system hardening; back-up power; demand-side actions

2. **Carrying forward the human centered approach of DSP to identify risks and opportunities and a lot of reference to utilities working with local governments to identify specific needs and opportunities**
    - Looking at system and community/societal resilience risks
    - Considering the disparate impacts of events on different populations

3. The analysis should take a least cost/least risk approach (differing opinions of costs and risks as noted in 1st bullet)
    - Most folks leaning toward establishing utility acquisition targets an explains actions the utility will take to reach those targets.
    - PAC recommends taking the initial output of the overall portfolio analysis and looks for community resilience opportunities that could meet those needs instead.

4. The analyses should leverage multiple planning activities
    - Most recommending that DSP feeds some resilience opportunities (non-wires solutions and system awareness and hardening investments) and IRP analysis identifies additional resource opportunities on top of that. They are combined in the CEP?



Community Sociogram: Where we saw some alignment

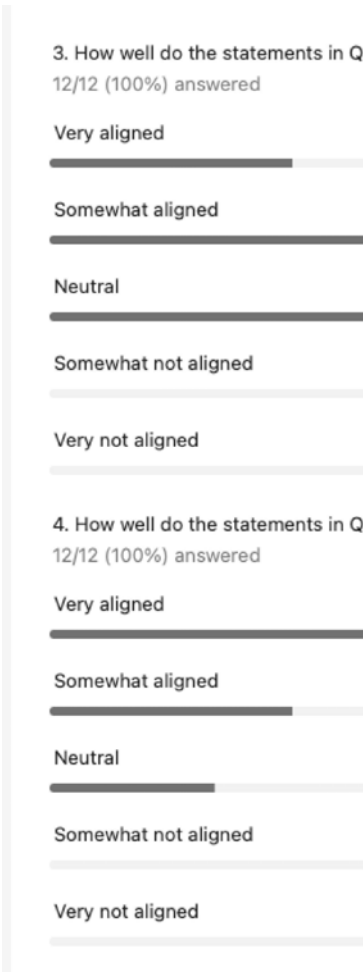
Poll ended | 4 questions | 12 of 41 (29%) participated

1. How well do the statements in Question 1 align with your perspectives? (Single Choice) *
12/12 (100%) answered

Very aligned	(5/12) 42%
Somewhat aligned	(4/12) 33%
Neutral	(3/12) 25%
Somewhat not aligned	(0/12) 0%
Very not aligned	(0/12) 0%

2. How well do the statements in Question 2 align with your perspectives? (Single Choice) *
12/12 (100%) answered

Very aligned	(6/12) 50%
Somewhat aligned	(3/12) 25%
Neutral	(3/12) 25%
Somewhat not aligned	(0/12) 0%
Very not aligned	(0/12) 0%



3. How well do the statements in Q
12/12 (100%) answered

- Very aligned
- Somewhat aligned
- Neutral
- Somewhat not aligned
- Very not aligned

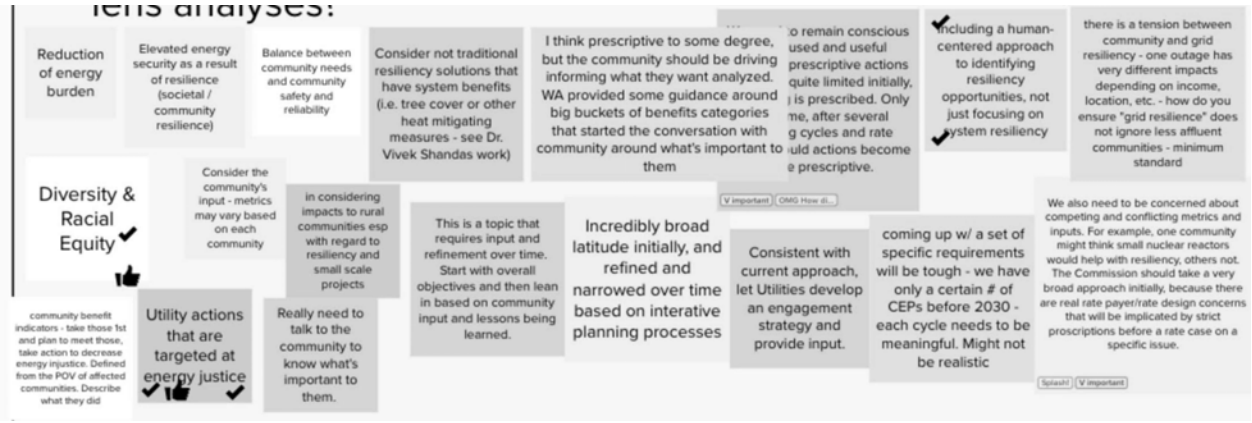
4. How well do the statements in Q
12/12 (100%) answered

- Very aligned
- Somewhat aligned
- Neutral
- Somewhat not aligned
- Very not aligned

Other topics we heard from stakeholders

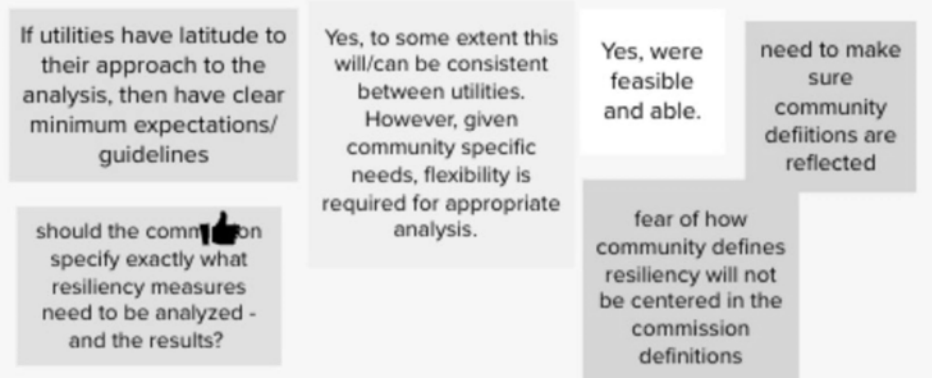
- Developing community resiliency plans and moving toward utility comprehensive resiliency planning
- Specifying specific metrics, such as a resiliency standard and community benefit indicators
- Including discussion of funding opportunities for activities (in addition to ratepayers)
- Investigating the resiliency and fossil offset value of specific action
- Only including benefits that are quantifiable
- Leveraging the ODOE report on barriers and opportunities for small-scale renewable energy projects

- Where is it important to be prescriptive around the community lens analyses?

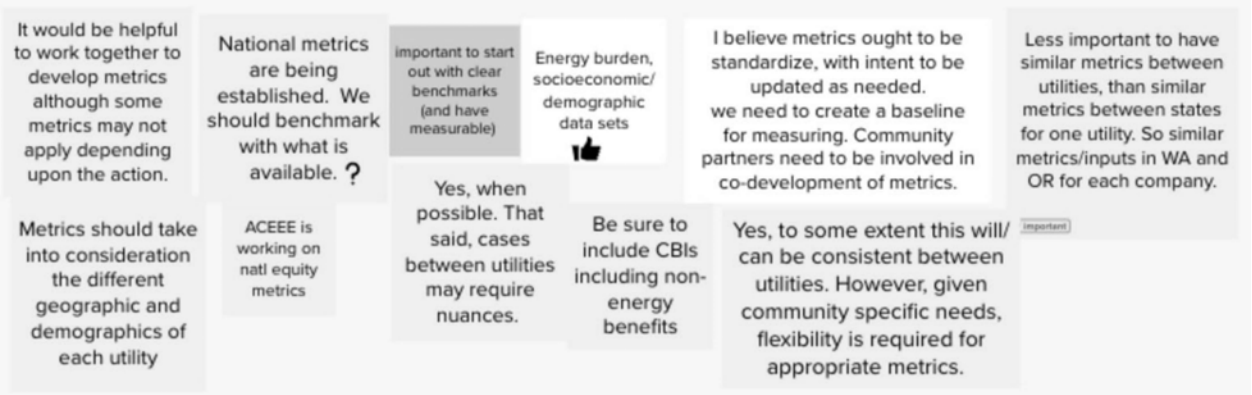


- Should utilities be doing the same analyses?

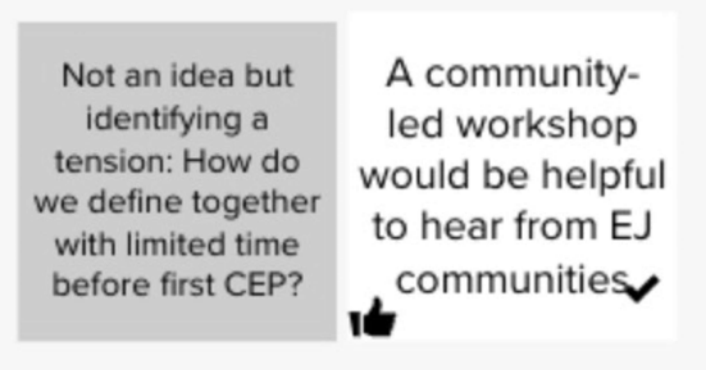
How much latitude?



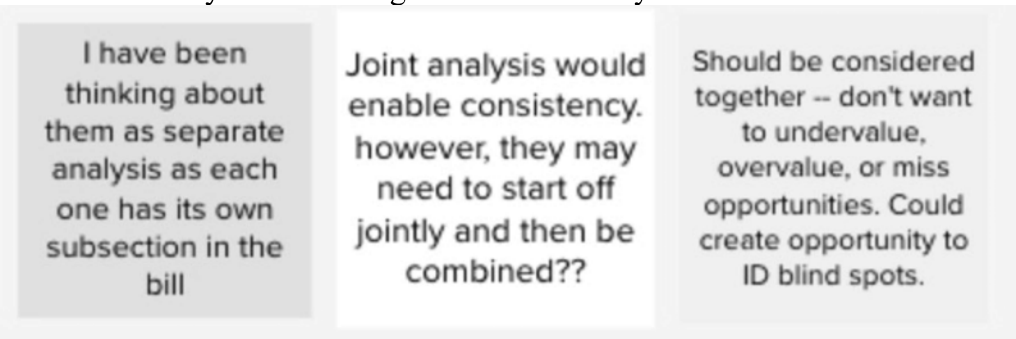
- Should metrics and inputs be standardized?



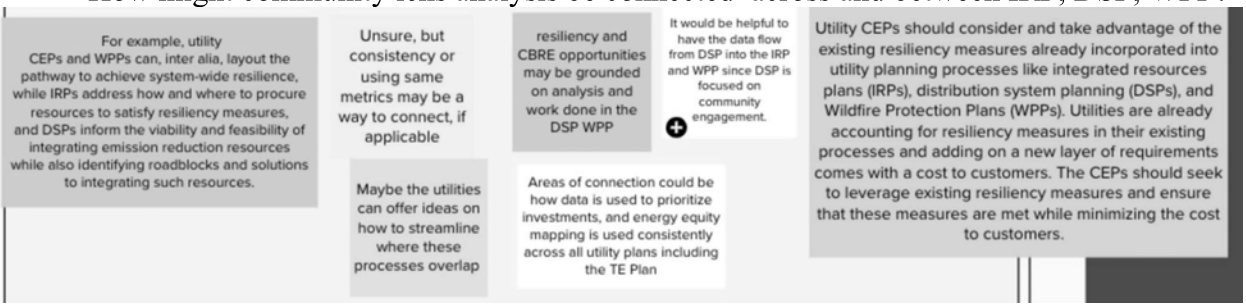
- If prescriptive, how should we continue to work on defining them together?



- Are these separate or joint analyses? Is the exploration of community benefits both resiliency and offsetting fossil as one analysis?



- How might community lens analysis be connected across and between IRP, DSP, WPP?



- Should system benefits that don't result in an emissions reduction be included in a CEP?