

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 80

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2023 Clean Energy Plan and Integrated
Resource Plan.

ORDER

DISPOSITION: DETERMINATION OF CONTINUAL PROGRESS

I. SUMMARY

This order memorializes our decision, made and effective at our January 25, 2024, Special Public Meeting, concerning whether Portland General Electric Company’s 2023 Integrated Resource Plan (IRP) and Clean Energy Plan (CEP) filing demonstrates continual progress under House Bill (HB) 2021. We find that the action plan presented in PGE’s IRP and CEP, as modified by Staff’s recommendations, represents continual progress as described in HB 2021.

II. BACKGROUND

HB 2021 requires that an electric company demonstrate in its CEP that it “is making continual progress within the planning period towards meeting the clean energy targets * * * including demonstrating a projected reduction of annual greenhouse gas emissions.”¹ Section 4(6) requires the PUC to “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.”²

In Order No. 24-002, we determined that continual progress was a term the legislature left to interpretation by the Commission. We stated that we did not define continual progress toward meeting the clean energy targets to require utilities to pursue a strictly linear trajectory of expected emissions reductions; we also concluded that we would not evaluate continual progress primarily on actual emission declines as reported to the Oregon Department of Environmental Quality. Instead, we stated that:

¹ HB 2021 Section 4(4); ORS 469A.415(4)(e).

² HB 2021 Section 4(6); ORS 469A.415(6).

Adopting firm definitions like those proposed would prevent us from giving meaning to the full phrases in HB 2021 section 4(6), which require us to understand tradeoffs around practicability, emissions reductions, and costs. These tradeoffs are dependent on the data and perspectives developed in the planning process.³

We recognized that the assessment required by HB 2021 section 4(6) is integrally connected to the IRP and CEP planning processes and determined that we would rely on “the robust weighing of costs, risks, and forecasted emissions reductions trajectories” in these processes to determine whether utilities are making “continual progress” and “taking actions as soon as practicable” in the planning period.⁴ Thus, we will evaluate continual progress regularly in our proceedings for acknowledgment of IRPs and CEPs and review of IRP and CEP updates, resulting in near-annual evaluations.

Our continual progress determinations will be made as separate orders in the IRP and CEP dockets, constituting final decisions that are subject to judicial review. Because the purpose of requiring continual progress is to ensure appropriate utility action during the years before the target, a continual progress determination represents a final Commission decision about whether to consider additional action at that moment in time.

III. SUMMARY OF COMMENTS

In final comments, New Sun argues that the Commission should enforce specific criteria to ensure that in the future PGE can demonstrate continual progress. New Sun’s position is that PGE’s IRP and CEP are both inadequate and should not be acknowledged, and therefore PGE cannot demonstrate continual progress.

Staff asserts that the action plan implementing the CEP will result in “continual progress” toward the emissions reductions required in HB 2021. However, Staff does not recommend acknowledgment of the CEP, due to a lack of confidence in PGE’s emissions analysis methodology. Staff recommends certain improvements to address these modeling concerns.⁵ Therefore, Staff recommends a finding that the CEP should not be acknowledged, while recognizing that the company is demonstrating continual progress.

³ *In the Matter of Public Utility Commission of Oregon, Investigation Into House Bill 2021 Implementation Issues*, Docket No. UM 2273, Order No. 24-002 at 28 (Jan. 5, 2024).

⁴ *Id.* at 29.

⁵ *See* Staff Report at 17 (Dec. 14, 2023).

PGE argues that its CEP should be acknowledged, and that it will be in an essentially continuous resource acquisition cycle as the company makes continual progress toward the decarbonization targets included in HB 2021. Accordingly, the plan demonstrates continual progress.

IV. RESOLUTION

In Order No. 24-096, we acknowledged PGE's 2023 IRP, finding that the near-term actions identified by the company are appropriate subject to the Staff conditions and recommendations we adopted. Also in Order No. 24-096, we did not acknowledge PGE's 2023 CEP because greenhouse gas modeling deficiencies undermine our ability to determine that PGE's CEP is sufficient to meet the emissions reduction targets in HB 2021. We find that the action plan presented in PGE's IRP and CEP, as modified by Staff's conditions and recommendations that we adopt in Order No. 24-096, represents continual progress and demonstrates that PGE is taking actions as soon as practicable to facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electric consumers.

We determine that PGE's near-term planning period actions constitute continual progress at this time. Specifically, we agree with Staff that PGE's community engagement and action plan items are sufficient in the near-term to demonstrate continual progress. PGE intends to acquire significant energy efficiency and demand response resources, non-emitting energy resources, and additional capacity. These actions are consistent with achievement of emission reduction objectives at a reasonable cost to customers. Further, as discussed during deliberations, we considered whether there were other opportunities to accelerate actions in the near term at reasonable cost and concluded that PGE was undertaking all practicable actions in the near term and was not artificially limiting any particular resource as compared to others.

Our decision not to acknowledge PGE's CEP does not reflect lack of alignment with PGE's near-term actions but is based on our lack of confidence in the longer term analysis. Our directives to PGE to conduct more robust emissions reduction modeling in the IRP and CEP update will help inform future adjustments in direction in the IRP and CEP planning processes.

Because we make a finding of continual progress here, we do not order any additional action in this order and will continue to evaluate continual process in PGE's future proceedings for IRP and CEP acknowledgment and our review of IRP and CEP updates.

Made, entered, and effective Apr 18 2024.

Megan W. Decker

Megan W. Decker
Chair

Letha Tawney

Letha Tawney
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