

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2011

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

General Capacity Investigation.

Final Comments of Renewable Northwest

October 24, 2022

I. INTRODUCTION

Renewable Northwest is grateful to the Oregon Public Utility Commission (“the Commission” or “PUC”) for the opportunity to comment on Staff’s Proposal (“Proposal”) submitted on September 23, 2022. We offer these brief comments as an initial reaction to the Proposal to conclude the docket and share our support for Staff’s helpful clarifications that will enable parties to come to a common understanding in this docket.

II. COMMENTS

In the Proposal, Staff states that:

..Oregon utilities are largely performing capacity contribution modeling using reasonable assumptions and industry standard methodologies, however Staff believes that some updates and standardization are warranted. Below Staff provides some of the changes and clarifications Staff has made to its best practices to reflect these overall findings.

Renewable Northwest supports Staff’s Best Practices as a uniform set of recommendations that would enable Oregon utilities to conduct capacity expansion modeling using capacity contribution values that are fair, consistent and transparent. One of the issues on which RNW provided a substantial amount of technical feedback was the number of years of energy production data required to conduct capacity accreditation analyses. We also supported the marginal ELCC as the most effective methodology to assign capacity contribution values to resources unless a utility can justify the use of a different methodology. We are encouraged to see both these recommendations make it into Staff’s Best Practices and recommend that the

investor-owned utilities (“IOUs”) in Oregon implement them in the integrated resource planning process -- and, for PGE and PacifiCorp, in Clean Energy Plan development as well.

We believe that if a utility deviates from these recommendations, then the utility should bear the burden to explain analytically why it did not conform to these common sets of principles and data requirements. Stakeholders should have the opportunity to vet their methodologies. With increasing penetration of renewable energy resources to meet clean energy standards, it is imperative for utilities to assign fair capacity contribution values to all resources, which in turn have material impacts on resource procurement as well. It has been proven that resources with complementary characteristics can result in a greater ELCC than the sum of their parts. These synergistic interactions or “diversity benefits”, would be important to evaluate in IRPs and RFPs since the impact of these benefits increase with increasing penetration of renewable and storage resources.

We also appreciate the clarifications that Staff has provided in the Proposal to enhance the Best Practices, especially addressing the problematic nature involving calculation of ELCC values of resources in a future without assessing the impacts of synergistic resources. This is particularly critical for resources like energy storage (particularly medium & long-duration storage resources with durations over 6 hours) which are dependent on other resources on the grid to provide the energy for dispatch at a later time when it is valuable. Thus, resource additions become a critical factor in ELCC calculation. We would also point out that in a recent workshop on Puget Sound Energy’s Electric IRP, E3 presented an update¹ to battery storage ELCC values for PSE’s system jumping from 25% annually in the 2021 IRP to 95% and 96% in summer and winter respectively for the 2023 IRP. This was primarily due to the fact that PSE did not accommodate for a change in regional resource buildout and market dynamics in their ELCC modeling which inhibited storage resources from providing capacity value. We believe that this type of interaction between individual resources and broader regional dynamics will continue to play a role as the West continues to procure more renewable and energy storage resources in the future and will be important to track for utilities, stakeholders and the Commission.

Another issue that came to fore is potential differences among docket participants regarding the target reliability metric chosen to conduct the ELCC analysis. We believe that with the implementation of the Western Resource Adequacy Program and the discussion around a state-level RA standard in UM 2143, parties can come to a common understanding on the level of reliability that is reasonable for IOUs in Oregon. An important point to note is that the WRAP

¹ Puget Sound Energy. Resource Adequacy Information Session. August 24, 2022.
<https://www.pse.com/-/media/PDFs/IRP/2022/08242022/RA-Info-Session-Final-Presentation-082422.pdf?modified=20220817191406>

establishes a regional reliability metric of 1 event-day in 10 years which may be different from the commonly used 1 day in 10 year LOLE standard. We welcome further discussion on this in the UM 2143 docket workshops.

Overall, we were encouraged by the Best Practices developed by Staff and hope to see them applied as widely as possible as Oregon’s investor-owned utilities work toward achieving our state’s nation-leading climate-and-energy policy. We believe that Staff’s Best Practices enumerate important recommendations that will enable confidence among stakeholders and Oregon electricity customers that electric generation resources are fairly and transparently valued. Thus, we recommend that the Commission approve Staff’s Best Practices and continue to work with utilities in the state to implement them in future IRP and RFP proceedings.

III. CONCLUSION

Renewable Northwest again thanks the Commission for this opportunity to comment regarding Staff’s Proposal and the Best Practices. We appreciate Staff’s work to incorporate stakeholder feedback and urge the Commission to approve them for all Oregon utilities.

Submitted this 24th day of October, 2022,

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