

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 70

In the Matter of

PACIFICORP dba PACIFIC POWER,

2019 Integrated Resource Plan.

Initial Comments of
Renewable Northwest

January 10, 2020

I. INTRODUCTION

Renewable Northwest is grateful to the Oregon Public Utility Commission (“the Commission” or “PUC”) for the opportunity to comment on the 2019 Integrated Resource Plan (“IRP”) filed by PacifiCorp on October 18, 2019. Overall, Renewable Northwest appreciates PacifiCorp’s robust and inclusive stakeholder process, its commitment to developing new analytical tools to determine the economic potential in pairing coal retirements with renewable resource additions, and its resulting preferred portfolio, which reflects that economic potential. Retiring approximately 1.5 GW of coal and adding approximately 4 GW of renewables and storage in the action plan window does seem to reflect, as PacifiCorp suggests in its IRP, “a bold vision ... for a future where energy is delivered affordably, reliably and without greenhouse gas emissions.”¹

In these comments, we begin by discussing the background that informed the IRP’s development, including the Commission’s acknowledgment of PacifiCorp’s 2017 IRP, PacifiCorp’s initial coal-study commitment and the process that followed, and the interplay between PacifiCorp’s 2017 IRP and the resulting procurement process. We then provide our comments: First, we offer general support for the 2019 IRP as an important step toward a more modern grid that relies on renewable resources and other non-emitting resources such as energy storage to provide a broad array of system benefits while reducing reliance on traditional thermal generators. Second, we offer general support for PacifiCorp’s approach to analyzing the economics of its coal fleet, while also encouraging further study in future IRP cycles to facilitate additional economic retirements. Third, we offer general support for PacifiCorp’s action plan, noting that the wind and solar-plus-storage additions in the preferred portfolio are warranted by historically low costs and further supporting PacifiCorp’s decision not to include new gas generation in the action plan window. Finally, we note that the full benefit of this plan will

¹ IRP at 1.

depend on a competitive procurement, pointing to ongoing interconnection queue-reform efforts as an important element of the process to follow.

Before moving into our detailed comments, Renewable Northwest applauds not only PacifiCorp's inclusive process but also its careful alignment of least-cost, least-risk resource planning with the deeply important Oregon policy goal of reducing greenhouse gas emissions and mitigating climate impacts. As we noted in our recent comments on Portland General Electric's 2019 IRP, the ethical imperative to address climate change has never been clearer and the Intergovernmental Panel on Climate Change ("IPCC") has reported that "limiting global warming to 1.5°C ... would require rapid and far-reaching transitions in energy."² PacifiCorp's 2019 IRP reflects traditional economic decision-making principles while also incorporating new modeling constructs that, together, help both to facilitate those necessary transitions and to achieve customer savings.

II. BACKGROUND

1. Resource Planning

Under ORS 756.040(2), the Commission has the broad "power and jurisdiction to supervise and regulate every public utility and telecommunications utility in this state, and to do all things necessary and convenient in the exercise of such power and jurisdiction." Exercising that authority, the Commission has promulgated OAR 860-027-0400, which requires each investor-owned utility to file an IRP "detailing its determination of future long-term resource needs, its analysis of the expected costs and associated risks of the alternatives to meet those needs, and its action plan to select the best portfolio of resources to meet those needs ... within two years of its previous IRP acknowledgement."

In addition to its IRP rules, the Commission in Order 07-047 adopted IRP guidelines setting as the primary goal of the IRP to "select[] a portfolio of resources with the best combination of expected costs and associated risks and uncertainties for the utility and its customers."³ The guidelines also direct the utility to address risk by, at a minimum, considering cost risk and the risks associated with physical and financial hedging.⁴ Finally, the guidelines direct the utility to put forward an IRP that is "consistent with the long-run public interest as expressed in Oregon and federal energy policies."⁵ Subsequent Commission Order 12-013 establishes an additional

² Intergovernmental Panel on Climate Change, *Special Report on Global Warming of 1.5°C*, Summary for Policymakers, SPM-21 (Oct. 8, 2018), available at http://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf.

³ Oregon Public Utility Commission, Docket No. UM 1056, Order No. 07-047, Appendix A at 1-2 (Feb. 9, 2007).

⁴ *Id.* at 2.

⁵ *Id.*

IRP guideline, directing the utility to forecast demand and supply for flexible capacity resources and to evaluate such resources on a consistent and comparable basis with other resource options.⁶

2. Acknowledgment of PacifiCorp’s 2017 IRP

Commission orders on past IRPs may also help inform IRP development. The Commission’s review of PacifiCorp’s 2017 IRP “involved a complex and dynamic conversation” and resulted in a divided order that “acknowledge[d] all action items in PacifiCorp’s action plan” subject to “many modifications and conditions.”⁷ While most of the acknowledgment order focused on the 2017 IRP, some elements were forward looking. For instance, each Commissioner wrote separately, with both then-Chair Hardie and then-Commissioner (now Chair) Decker noting the challenges of applying the traditional regulatory paradigm to modern and modernizing utilities. Then-Chair Hardie wrote:

I recognize that our approach to the concept of need and the appropriate time horizon for investments is something we will continue to grapple with. Society is increasingly asking utilities and our regulatory system to do more than they have in the past. We may need to find new ways of thinking about how to properly evaluate investments that fall more on the economic opportunity side of the spectrum than on the side of nearer-term need, particularly when other benefits can be attributed to the investments.⁸

Chair Decker added:

I agree with my colleagues’ comments that resource need plays an important role in our oversight of resource planning. As we recognized recently in Order No. 17-286, “[h]ow utilities characterize need and assess risk and uncertainty within their IRPs and how we integrate that analysis into our review, however, must evolve.” I look forward to working with all stakeholders as we examine our resource planning process to meet changes within the utility industry.⁹

In line with the evolving regulatory paradigm, the Commission adopted as part of its order PacifiCorp’s:

⁶ Oregon Public Utility Commission, Docket No. UM 1461, Order No. 12-013 at 16-18 (Jan. 19, 2012).

⁷ Oregon Public Utility Commission, Docket No. LC 67, Order No. 18-138 at 1 (Apr. 27, 2018).

⁸ *Id.* at 14 (Chair Hardie, *concurring in part*).

⁹ *Id.* at 18 (Commissioner Decker, *concurring in part*) (quoting *In the Matter of Portland General Electric Co., 2016 Integrated Resource Plan*, Docket No. LC 66, Order No. 17-386 at 14 (Oct. 9, 2017)).

... agree[ment] to perform 25 system optimizer (SO) runs, one for each coal unit and a base case ... to summarize the results providing a table of the difference in present value of revenue requirement (PVRR) resulting from the early retirement of each unit, an itemized list of coal unit retirement costs assumptions used in each SO run, and a list of coal units that would free up transmission along the path from ... proposed Wyoming wind projects if retired.¹⁰

3. Development of PacifiCorp's 2019 IRP

Given this regulatory background, for its 2019 IRP PacifiCorp was tasked both with assessing the economic viability of its coal fleet and with applying the traditional regulatory paradigm to a flexible construct of need that accounts for the potential retirement of non-economic coal units.

This was a difficult task, and PacifiCorp led a robust stakeholder process to inform the undertaking. IRP Appendix C provides very high-level summaries of the eighteen general and six state-specific Public Input Meetings that PacifiCorp convened, many of which spanned two days apiece. Appendix C also provides a very high-level summary of the Stakeholder Feedback Forms submitted to PacifiCorp during the stakeholder process; Renewable Northwest developed or signed onto four joint stakeholder requests seeking multiple additional modeling runs (among other information) and appreciates PacifiCorp's thoughtful and thorough responses.¹¹

In accordance with Order 18-138, much of the process of developing PacifiCorp's 2019 IRP centered around the company's coal analysis. While PacifiCorp kept its initial coal study results confidential for several months, its December 3-4, 2018 Public Input Meeting materials publicized for the first time the significant potential benefits attributable to coal retirements.¹² PacifiCorp then went on to explore, simultaneously, how best to maximize value from stacked retirements of individual coal units across a series of years and how best to account for costs associated with maintaining resource adequacy as coal units retired. Without reproducing the details of that process here, Renewable Northwest again observes that the level of stakeholder

¹⁰ *Id.* at 11-12 & 13 (“PacifiCorp is directed to perform the system optimizer runs for each coal unit and a base case and provide the results to the parties in LC 67 by June 30, 2018 ...”). System Optimizer, or SO, is a model that “optimizes resource additions subject to resource costs and capacity constraints” and is described in greater detail in Chapter 7 of PacifiCorp's 2019 IRP.

¹¹ See Stakeholder Feedback Forms of Western Resource Advocates (Aug. 24, 2018); Renewable Northwest (Nov. 5, 2018); Western Resource Advocates (May 24, 2019); and Western Resource Advocates (Sept. 10, 2019), available at <https://www.pacificorp.com/energy/integrated-resource-plan/comments.html>.

¹² Available at

<https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2019-irp/2019-irp-presentations-and-schedule/2018-12-03-04%20-%20General%20Public%20Meeting.pdf>.

engagement was high and expresses appreciation for PacifiCorp’s responsiveness to stakeholder comments and questions.

Following this robust IRP development process, PacifiCorp announced its preferred portfolio at its October 3-4, 2019 public input meeting and filed its 2019 IRP on October 18, 2019. Slides from PacifiCorp’s presentation at the October 2019 public input meeting provide the clearest representation of its preferred portfolio.

Figure 1 provides a graphical overview of its preferred portfolio. The transition from thermal to non-emitting resources stands out, though the scale of this transition is so great that it is difficult to do more than estimate the values attributable to each resource category:

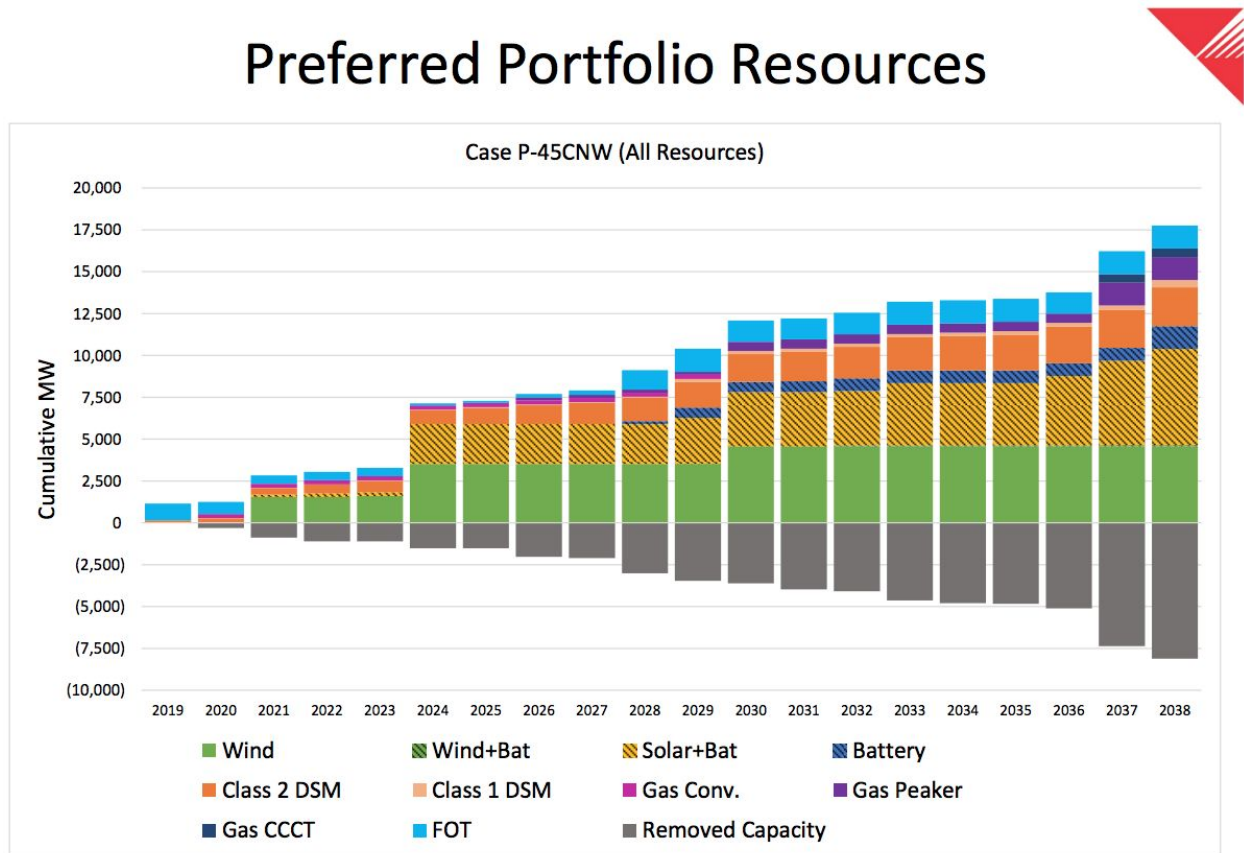


Figure 1: Preferred Portfolio Resources, from PacifiCorp 2019 IRP Public Input Meeting (PIM) October 3-4, 2019, at 5.¹³

¹³ The same or substantially the same chart appears in the IRP at pages 7 and 246.

Figure 2 lays out the resources in the preferred portfolio by geography, year, and scale. Resource additions or subtractions within the action plan window are in red. All in all, this figure shows that PacifiCorp is effectively proposing to retire about 1.5 GW of coal within the 2019 IRP action-plan window and create an opportunity for procurement of over 4.3 GW of renewables, roughly 2 GW wind and 2.3 GW solar-plus-storage (where the nameplate capacity listed is that of the solar photovoltaic resource, the nameplate capacity of the associated storage resource is 25% of the solar photovoltaic resource, and the hourly duration of the storage resource is not set in stone).

Preferred Portfolio Generating Resources (Case P-45CNW)

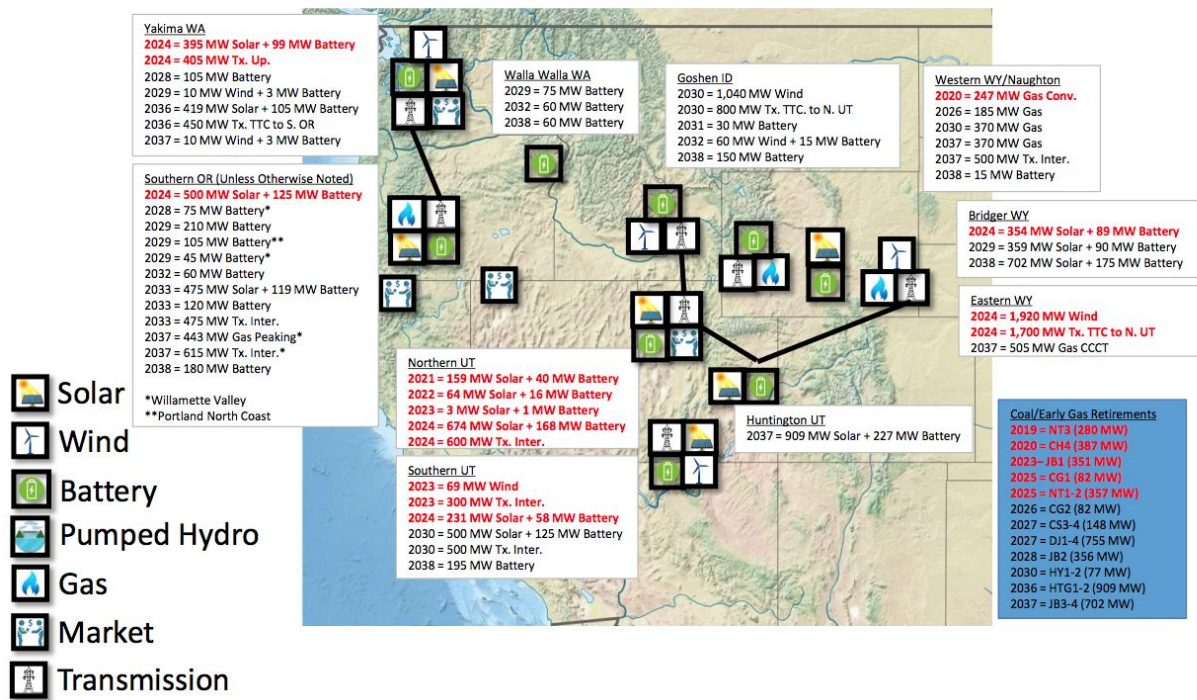


Figure 2: Preferred Portfolio Generating Resources, from PacifiCorp 2019 IRP Public Input Meeting (PIM) October 3-4, 2019, at 6.

Notably, PacifiCorp proposes no new near-term thermal additions to replace retiring coal units, noting that the appearance of gas peaker units “outside the action-plan window ... provides time for PacifiCorp to continue to evaluate whether non-emitting capacity resources can be used to supply the flexibility necessary to maintain system reliability into the future.”¹⁴

¹⁴ IRP at 209.

Renewable Northwest will offer commentary on PacifiCorp’s process and results in our comments below.

4. Resource Procurement

Review of PacifiCorp’s 2019 IRP may also be informed by the IRP’s relationship to resource procurement. Additional attention to PacifiCorp’s 2017 IRP and the resulting 2017R RFP provide some helpful context.

The action plan in PacifiCorp’s 2017 IRP included the procurement of 1,100 MW of wind interconnecting to its eastern Wyoming transmission system and a new transmission line (D.2 Segment of Pacificorp’s Energy Gateway projects or “D.2”). The 2017 IRP accelerated the completion date originally planned for D.2.¹⁵ PacifiCorp sought and received Commission approval of the 2017R RFP prior to Commission acknowledgement of the 2017 IRP.¹⁶ The 2017R RFP was largely consistent with the wind procurement in the action plan of the (as of then) yet-to-be-acknowledged 2017 IRP.¹⁷

On the interconnection front, the initial system impact studies that PacifiCorp’s transmission arm provided to bidders did not include the company’s plans to accelerate completion of D.2.¹⁸ As a result, the Company conducted restudies after the 2017R RFP was closed to bids, and found that projects at a certain point in the queue triggered the need for an additional segment of PacifiCorp’s Energy Gateway transmission projects.¹⁹ Those projects were determined to be unlikely to be deliverable by the 2020 COD required in the 2017R RFP.²⁰

PacifiCorp sought Commission acknowledgement of a final shortlist largely comprising projects that required completion of D.2.²¹ The majority of those projects were either benchmarks or utility-ownership bids. The independent evaluator (“IE”) of the 2017R RFP determined that the “viable offers were competitive offers, but were not the best the market could provide based on cost or risk but for the transmission constraint issue.”²² The IE attributed this issue to the 2017R RFP getting ahead of PacifiCorp’s resource and transmission planning.²³

¹⁵ Oregon Public Utility Commission, Docket No. UM 1845, Order No. 18-178 at 4 (May 23, 2018).

¹⁶ *See id.* at 1-2.

¹⁷ *Id.*

¹⁸ *Id.* at 4.

¹⁹ *Id.* at 5.

²⁰ *Id.* at 5.

²¹ *Id.* at 3.

²² *Id.* at 5.

²³ *Id.*

On May 23, 2018, the Commission decided not to acknowledge PacifiCorp’s 2017R Request for Proposals (“RFP”) shortlist, stating that it could not find that the narrow shortlist clearly represented the best combination of cost and risk for PacifiCorp’s customers.²⁴ The factors that influenced the Commission’s decision included its determination that “the overall competitiveness of the RFP process, and the significance of the RFP analysis, was limited by the interconnection constraint.”²⁵

III. COMMENTS

1. PacifiCorp’s 2019 IRP Is An Important Step Toward a Modern, Low- or No-Emissions Grid

PacifiCorp introduces its IRP on page one by stating that “[t]he 2019 IRP preferred portfolio advances PacifiCorp’s long-term vision . . . for a future where energy is delivered affordably, reliably and without greenhouse gas emissions.”²⁶ Later in its Executive Summary, PacifiCorp explains its intent to “invest[] in diverse new resources like[] renewables, storage and modern grid technology” as well as “new transmission infrastructure investments . . . so the lowest-cost renewable resources can flow freely to customers across the west”; when paired with “the phased transition of [PacifiCorp’s] coal fleet,” the company notes that “by 2030, PacifiCorp will have reduced greenhouse gas emissions by nearly 60 percent from 2005 levels.”²⁷ The transition PacifiCorp describes is precisely the transition that is necessary for the western grid, and Renewable Northwest appreciates some of the more innovative or forward-looking elements of PacifiCorp’s proposal.

First, PacifiCorp’s 2019 IRP replaces thermal resources with renewables and storage with a specific eye to meeting reliability targets. While PacifiCorp’s December 2018 coal study results demonstrated significant cost savings paired with potential reliability shortfalls, with further analysis PacifiCorp was able to resolve those shortfalls in a manner that supported economic retirement of coal units and met short-term reliability needs primarily with non-emitting resources powered by renewable energy. In December 2018, PacifiCorp reported that “[r]etirement cases can degrade system reliability,” but rather than resting on that conclusion PacifiCorp determined that “[a]dditional analysis is needed to evaluate potential reliability challenges” and committed to “test alternative resource adjustments to address reliability issues

²⁴ *Id.* at 10.

²⁵ *Id.* at 12.

²⁶ IRP at 1.

²⁷ *Id.* at 4.

for priority cases and review potential frequency-response shortfalls for these specific scenarios.”²⁸ Appendix R of the 2019 IRP walks through some of the company’s additional analysis, including PacifiCorp’s consideration of how best to meet reliability needs with diverse resources. For example, PacifiCorp notes that “[w]ind and solar resources . . . can provide regulation reserves when forecasted output can be curtailed to free-up operating capacity on the system” and that some wind and solar resources can therefore be “modeled as dispatchable resources.”²⁹ Further, PacifiCorp developed a methodology for modeling battery storage as a reliability resource and improved its modeling of market transactions and hydro for reliability purposes.³⁰ The careful attention PacifiCorp paid to improving and modernizing its reliability methodology is important context not only for considering PacifiCorp’s preferred portfolio and action plan but also for considering how best to meet reliability needs in the northwest while facilitating a rapid transition to non-emitting resources.

Second, as PacifiCorp’s analysis developed, some consistent trends emerged that square with the transition to a modern grid:

a. Stacked coal retirements consistently provide cost savings.

Even outside of PacifiCorp’s preferred portfolio, each layer of the company’s coal analysis suggests that there are significant economic benefits associated with stacked retirement of coal units, even accounting for the full suite of costs to replace lost energy, capacity, and reliability services. Not only can PacifiCorp save customers money and provide reliable service by retiring coal units and adding non-emitting resources by pursuing its preferred portfolio and action plan, but it can do so under a host of varied scenarios beyond the action plan (albeit not all scenarios). In other words, achieving cost savings from coal retirements is the norm, not an outlier.

²⁸ PacifiCorp 2019 Integrated Resource Plan (IRP) Public Input Meeting December 3-4, 2018 at 99, *available at* <https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2019-irp/2019-irp-presentations-and-schedule/2018-12-03-04%20-%20General%20Public%20Meeting.pdf>.

²⁹ IRP, Appendix R at 607-08.

³⁰ *Id.* at 608.

b. Resource portfolios bring unique, difficult-to-capture benefits.

Second, discrete resource portfolios such as renewable resources paired with storage provide unique benefits that can be difficult to capture in traditional modeling.³¹ PacifiCorp's experience with solar-plus-storage is instructive. In PacifiCorp's words:

Test runs performed by the IRP modeling team confirmed that if stand-alone solar resources were not allowed in the initial portfolio development case, that the SO model selected solar+battery combination resource options, and that when these portfolios were analyzed for reliability ... and run through the PaR model, the overall system PVRR was lower. ... Consequently ... for additional cases ... PacifiCorp disabled stand-alone solar resources -- in each case, solar+battery is added to the portfolio and system costs were reduced.³²

Ideally, a model would be able to endogenously identify a reduction in system costs attributable to solar-plus-storage relative to standalone solar; practically, it makes sense that the benefits of new resource combinations may be difficult to capture using a model that was designed with different system and operation paradigms in mind. Overall, Renewable Northwest appreciates PacifiCorp's diligent efforts to capture the benefits of certain discrete resource combinations and looks forward to participating in continued efforts to model the costs and benefits associated with different resource contributions that can contribute to a modern, flexible grid.

c. Renewable resources and storage are cost-competitive.

It will come as no surprise to the Commission that the economics of renewable-energy and storage resources have been improving continuously for many years to the point that these resources are cost-competitive with traditional resources and appear often in resource plans and procurement results not just in Oregon but around the country. Because this trend is sufficiently clear, Renewable Northwest will dedicate no more space to the matter here, though we may expand on this point in reply comments if needed.

³¹ For more on this topic, see the Rocky Mountain Institute's recent reports discussing the ability of clean energy portfolios or "CEPs" to meet system capacity and reliability needs with lower costs, lower risks, and significantly lower carbon emissions than traditional thermal generation. Rocky Mountain Institute, *The Growing Market for Clean Energy Portfolios* (2019), available at <https://rmi.org/insight/clean-energy-portfolios-pipelines-and-plants/>; Rocky Mountain Institute, *The Economics of Clean Energy Portfolios* (2018), available at <https://rmi.org/insight/the-economics-of-clean-energy-portfolios/>.

³² IRP at 199.

d. Traditional utility regulation is increasingly consistent with achieving climate goals.

Finally and most importantly, PacifiCorp’s 2019 IRP applies the traditional regulatory paradigm of least-cost, least-risk resource planning while also making strides toward decarbonization. While projected emissions are roughly flat during the action plan window, the coal retirements and renewable-energy procurements included in the action plan would begin to yield notable emission reductions (as compared to projections from PacifiCorp’s 2017 IRP) once they have been implemented:

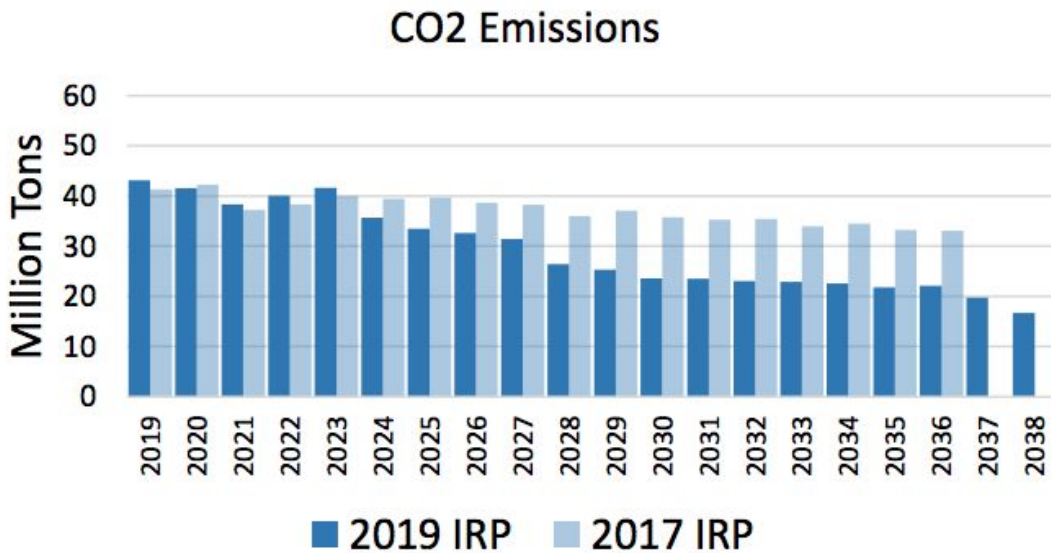


Figure 3: CO2 Emissions, from PacifiCorp 2019 Integrated Resource Plan (IRP) Public Input Meeting October 3-4, 2019 at 15.

PacifiCorp’s long-term emissions trajectory is also promising, especially when considering that the 2019 IRP shows reductions over those projected in the 2017 IRP:

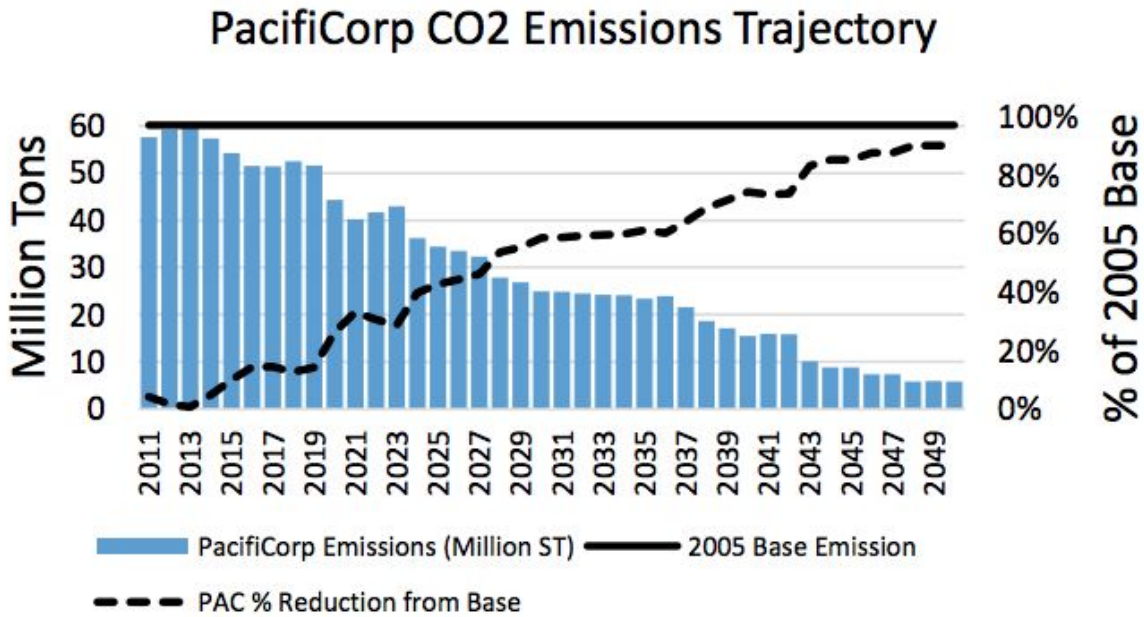


Figure 4: PacifiCorp CO2 Emissions Trajectory, from PacifiCorp 2019 Integrated Resource Plan (IRP) Public Input Meeting October 3-4, 2019 at 15.

Renewable Northwest again appreciates PacifiCorp’s alignment of economic resource planning principles with necessary greenhouse gas emission reductions. We hope and expect that the trend of incremental emission-reduction gains from one IRP cycle to the next will continue through the 2021 IRP as well.

2. PacifiCorp’s Coal Analysis Is a Positive Step But More Work Is Needed in Future IRPs.

As is discussed above, PacifiCorp’s coal analysis and overall 2019 IRP development process demonstrated that many combinations of coal-unit retirements could bring significant economic benefits to its customers, even accounting for the costs associated with replacing those units’ contributions to PacifiCorp’s system. Renewable Northwest appreciates PacifiCorp’s thoughtful and thorough approach to coal retirements, including its dynamic modeling to assess the economic impacts of coal retirements and new resource additions over time in determining a least-cost, least-risk portfolio.

While acknowledging the significant amount of hard work that went into determining PacifiCorp’s preferred portfolio and action plan, Renewable Northwest also notes that that process was informed to a significant extent by the best efforts of individual people to iteratively determine sensible retirement parameters as initial conditions for PacifiCorp’s models based on observations from past modeling results. Therefore, while PacifiCorp may have determined the

least-cost, least-risk scenario based on its analysis to date, Renewable Northwest also considers it likely that additional analysis may identify still more aggressive coal-retirement scenarios that generate additional benefits for PacifiCorp's customers. We are optimistic that the economic addition of a significant amount of new renewable and other non-emitting resources to its system will help PacifiCorp to identify such a scenario in its next IRP cycle, and we encourage the Commission and PacifiCorp to ensure that refreshed economic analysis of PacifiCorp's coal fleet continues to inform PacifiCorp's future resource planning efforts.

3. PacifiCorp's Action Plan Reflects Broad Benefits Attributable to Non-Emitting Resources and Risks Associated with New Thermal Resources.

Renewable Northwest generally supports PacifiCorp's action plan as the reasonable result of a dynamic process that weighed the retirement of non-economic coal units against the costs associated with adding replacement resources. It is both unsurprising and appropriate that the resources that PacifiCorp proposes to rely on -- as reflected in those elements of its preferred portfolio targeted for procurement within the action-plan window -- include gigawatts of new wind and solar-plus-storage. PacifiCorp's action plan reflects the Commission's implied direction in Order 18-138 that the company should assess the economic viability of its coal fleet and apply traditional regulatory principles to a flexible construct of need that accounts for the potential retirement of non-economic coal units and the opportunity to add new, low-cost power to the company's system.

Much of this topic has been addressed above, but to recap: PacifiCorp has generally modeled reasonable costs for new renewable resources, which are available at historically low cost. The company's analysis generally acknowledges the diverse benefits of renewable resources, including energy, capacity, and reliability. The company has taken pains to advance its modeling of the costs and diverse benefits of storage resources as well, despite rapid evolution regarding both elements of storage resources. Indeed, Renewable Northwest has pointed to the company's approaches to each of these items as positive examples in recent comments to the Montana Public Service Commission regarding NorthWestern Energy's Electricity Supply Resource Procurement Plan (Montana's equivalent of an IRP).³³ Finally, the company has proposed not to include a gas peaker in its action plan in order to "provide[] time for PacifiCorp to continue to evaluate whether non-emitting capacity resources can be used to supply the flexibility necessary to maintain system reliability into the future."³⁴ This last point is an appropriate reflection of the risks associated with new thermal generation.

³³ Renewable Northwest's comments were filed on January 6, 2020, but do not yet appear in the Public Service Commission's database.

³⁴ IRP at 209.

4. Renewable Northwest Encourages PacifiCorp To Take the Steps Necessary for a Competitive Procurement.

While PacifiCorp’s IRP has identified potential savings associated with a major new procurement, a competitive procurement process will be necessary to ensure the greatest benefit for customers. Ensuring a competitive procurement process is an especially important consideration for regulators of vertically integrated electric utilities as these utilities often have full or near monopsony status in their territory and have an interest in owning procured resources.

To help ensure a competitive procurement of renewable resources following this IRP, Renewable Northwest encourages PacifiCorp to continue the efforts that its transmission arm is undertaking to address its interconnection issues. According to the company, it has been unable to provide study results to many interconnection customers in recent months due to the large number of megawatts of interconnection requests compared to its system load.³⁵ As these comments highlight above, interconnection was a factor in the Commission’s decision not to acknowledge PacifiCorp’s shortlist for the 2017R RFP. Specifically, the Commission determined that “the overall competitiveness of the RFP process, and the significance of the RFP analysis, was limited by the interconnection constraint.”³⁶ Because a functional interconnection process is important for a competitive procurement, we appreciate the company’s efforts to address its interconnection issues.

Specifically, PacifiCorp is in the process of reforming its large and small generator interconnection procedures. The company’s latest straw proposal indicates that it will seek to transition its interconnection procedures from a “first-come, first-served,” serial-queue study approach to a “first-ready, first-served” approach with commercial thresholds that projects would have to meet to enter the interconnection process.³⁷ The company expects this new approach will better allow it to manage its interconnection requests.³⁸

³⁵ PacifiCorp Generator Interconnection Procedure Reform, *Second Revised Straw Proposal* at 3 (Nov. 27, 2019), available at https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/PacifiCorp_Queue_Reform_-_Second_Revised_Straw_Proposal.pdf.

³⁶ Order 18-178 at 12.

³⁷ PacifiCorp’s *Second Revised Straw Proposal* at 1.

³⁸ *Id.* at 3.

The company also contemplates a transition process that would apply to interconnection customers currently in the queue and that would line up with the 2020 renewables RFP.³⁹ We understand that the company's transmission arm hopes to file the amended interconnection procedures with the Federal Energy Regulatory Commission ("FERC") in a timeline that will allow those reforms to be in place for the 2020 RFP and minimize the likelihood of negative interconnection-related impacts on the competitiveness of the RFP.⁴⁰ We appreciate PacifiCorp's efforts to reform its interconnection procedures in time for the 2020 RFP, encourage the company to follow a timeline that will avoid any negative impacts on the competitiveness of its procurement process, and expect to be actively engaged in the resulting FERC proceeding.

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³⁹ *Id.* at 17.

⁴⁰ *Id.* at 18.

IV. CONCLUSION

Renewable Northwest again thanks the Commission for this opportunity to comment on PacifiCorp's 2019 IRP. We reiterate our appreciation to PacifiCorp for its robust stakeholder process and our support for this important step in the company's transition from a carbon-intensive thermal portfolio to a modern system powered by renewables and balanced with other non-emitting resources. We look forward to continued collaboration with the Commission, PacifiCorp, stakeholders, and Commission Staff throughout this IRP proceeding.

Respectfully submitted this 10th day of January, 2020,

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