Portland General Electric Company
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January 12, 2024

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: LC 80 – Portland General Electric Company's 2023 Clean Energy Plan and Integrated Resource Plan
Comments on Staff Report and Final Recommendations

Dear Filing Center:

Enclosed for filing today in the above-referenced docket is Portland General Electric Company's (PGE) comments on OPUC Staff's Report and Final Recommendations on PGE's 2023 Clean Energy Plan (CEP) and Integrated Resource Plan (IRP).

Please direct any questions or communications regarding these comments to: pge.opuc.filings@pgn.com.

Sincerely,

/s/ Riley Peck

Riley Peck
Senior Manager, Regulatory Strategy
Resource & Regulatory Strategy

Table of Contents

Chapter 1. Introduction

PGE thanks the Commission for the opportunity to respond to the LC 80 Staff Report. PGE appreciates the engagement and feedback received from Staff and parties throughout the 2023 CEP/IRP process. While PGE agrees with most of Staff's recommendations, there is one main outstanding issue where PGE and Staff are not fully aligned. In the sections that follow, we first address what we believe to be the key outstanding issue in this docket; Staff's recommendation of non-acknowledgment of the CEP. PGE does not agree with Staff's recommendation and instead respectfully requests that the Commission acknowledge the CEP because it addresses the statutory requirements, represents a reasonable plan based on the tools available today, and is consistent with the 2023 IRP for which Staff is recommending acknowledgment. In these comments we also describe the Company's position on other issues in the docket. Finally, we summarize the Company's position on each of Staff's recommendations and expectations and provide further clarifications where needed.

Chapter 2. CEP Acknowledgement

PGE's first CEP is an important milestone in Oregon's transition to a non-emitting future. While HB 2021 established ambitious emissions targets consistent with Oregon's climate action goals, it did not detail the steps or actions utilities should take to reduce emissions on their systems. PGE strongly supported passage of HB 2021 and remains fully committed to meeting the emissions and clean energy goals of Oregon and our customers while balancing reliability and affordability for customers. PGE's CEP represents the first time an Oregon utility has detailed a path to meeting HB 2021 requirements and marks the utility's commitment toward planning for and actualizing those targeted reductions.

To create a plan that can achieve HB 2021 emissions targets, PGE undertook a comprehensive overhaul of its modeling for integrated resource planning, including forecasted emissions, costs, and transmission resources. Staff recognized the resulting IRP Action Plan is appropriate to meet the company's long-term resource needs consistent with the IRP guidelines and consistent with the long-run public interest expressed in Oregon and federal energy policies, which include HB 2021 emissions targets.[1,2] The IRP Action Plan, the basis for the CEP Action Plan, was also found by Staff as appropriate and that continual progress is demonstrated, which is a requirement for acknowledgement.[3]

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[1] Staff's Report at 8.
[2] *See* OAR 860-027-0400(2) and IRP Guideline 1(d).
[3] *See* Staff Report at 7 and 17.

As described in this section, CEP requirements and Commission precedent also support the acknowledgement of PGE's CEP, which was based on reasonable analysis given recognized limitations, iterated in response to feedback throughout the LC 80 process, and a foundational step toward modeling refinement in future cycles.

2.1 PGE Emissions Forecast Methodology Is Reasonable and Consistent with Capabilities and Expectations

In its CEP/IRP analysis PGE relied on the continued use of an annual energy position, consistent with earlier IRP modeling. This carried an assumption that sub-annual variations in energy demand and supply would equally offset. This was one of many simplifying assumptions PGE used as it developed the 2023 CEP/IRP, and the Company presented the assumptions and results publicly in its roundtable series starting in the summer of 2022.[4] In the LC 80 docket Staff raised the temporal granularity of energy accounting and the resulting forecasted emissions that come from it as a major limitation in PGE's modeling.[5]

The Company agrees. PGE had highlighted the issue before it filed the CEP/IRP, in the LC 80 docket, and before the Commission.[6] During the development of its CEP/IRP, PGE was constrained by the continuing regulatory stakeholder process throughout 2022 and into 2023: the Commission adopted expectations for analytical improvements and finalized administrative guidance just 20 weeks and four weeks before PGE's CEP filing deadline, respectively.

PGE notes that the Company's modeling capabilities are consistent with previous IRP methods and Oregon requirements for our GHG reporting program. Further, an hourly accounting of PGE's energy position (and the associated emissions) has never been a requirement nor expressed as an expectation during the UM 2225 docket or in the first round of stakeholder comments. As such, the company did not develop this capacity in the creation of the CEP, choosing instead to focus its limited modeling resources on other questions raised by Staff and stakeholders in long-term planning. The annual energy position was a reasonable approach to approximate PGE's energy position (and resulting emissions) in the context of PGE's modeling the first CEP, though PGE is committed to making advancements to the methodology in the future.

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[4] Neither Staff nor any Stakeholders raised any concerns about the annual assumption or emissions accounting during these roundtables or direct meetings on the individual presentations.

[5] LC 80 Staff Report at 15.

[6] Before the filing, PGE noted this limitation in PGE's UM 2225 comments on October 5th at 14 and March 30th roundtable at slide 45; during the docket, PGE noted the limitations in Round 1 comments at 43 and Round 2 comments at 19; PGE also shared these concerns before the Commission on May 2, 2023, Public meeting.

2.2 CEP Acknowledgement Consideration Should Account for Expectations of Future Iteration

HB 2021 requires PGE to file CEPs. ORS 469A.415(1) and (2) require PGE 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 submit the plan to the Commission and the Oregon Department of Environmental Quality (DEQ). Under ORS 469A.415(4), the CEP must incorporate the clean energy targets, provide annual goals for actions that make progress toward the clean energy targets, demonstrate continual progress to the targets, and include analyses of resiliency and community-based renewable energy that are new to the IRP process.

Under ORS 469A.420(2), the Commission shall acknowledge the CEP "if the Commission finds the plan to be in the public interest and consistent with the clean energy targets set forth in ORS 469A.410." After thorough consideration in Staff's HB 2021 investigation in UM 2225, the OPUC adopted CEP guidance concerning acknowledgement in Order 22-390, which states that to inform acknowledgement, "the CEP should demonstrate how the IRP Preferred Portfolio achieves the emissions reductions targets set forth in HB 2021, with DEQ verification."

Staff's proposal that the Commission decline to acknowledge the CEP is out of step with its historical approach to IRP acknowledgment, which specifically recognizes the iterative approach to IRP analysis and allows for acknowledgment where there is room for improvement. On this point, it is important that the standard for acknowledgment of a CEP appears to be very similar to that of an IRP. Acknowledgment of an IRP is appropriate where the Commission finds that the utility's Preferred Portfolio and Action Plan is reasonable at the time of acknowledgment. A CEP is acknowledged when it is in the public interest and consistent with the clean energy targets.[7] Both standards are broadly expressed and neither suggests that strict adherence to any particular type of analysis or methodologies are required.

Moreover, in the context of IRPs, the Commission has been clear that analytic perfection is not expected. On this point the Commission has stated:

> *The IRP process is intended to be iterative. Where weakness in the analysis or issues are identified, stakeholder participation can help identify alternatives and improvements to the action plan or analysis in the next IRP. Utilities should respond proactively to the concerns of stakeholders and consider alternatives. Ultimately, an acknowledged plan will become a*

[7] ORS 469A.420.

> *working document for use by the utility, the Commission, and other interested parties in Commission proceedings.*[8]

Similarly, the Commission recently stated in UM 2273:

> *Planning is, by its nature, indicative and strategic, not determinative or certain, and HB 2021 places its continual progress requirements firmly within the planning context. As CEPs and IRPs are planning exercises, evaluating continual progress will similarly be directional, with the ability to look at actual performance in the next round of IRPs, CEPs, and updates and use that information to adjust forward direction and, ultimately, to inform rate case and compliance decisions.*[9]

Consistent with this approach, the Commission routinely acknowledges IRPs with instructions for improvements it expects to be made in subsequent IRPs.[10]

A key takeaway from PGE's CEP is that PGE needs to rapidly acquire significant quantities of non-emitting resources (such as solar, wind, hydro, storage, distributed energy resources like energy efficiency and demand response, and CBREs) to reduce fossil fuel generation and its associated emissions below the 2030 annual target. Accordingly, even if additional new resources are ultimately deemed necessary from an improved modeling design, it is likely that any incremental resource additions would need to happen in a future IRP/CEP cycle.

PGE strongly believes that its 2023 CEP/IRP achieves the important objectives of a CEP. Accordingly, PGE respectfully requests that the Commission acknowledge the plan, understanding that the important task of developing enhanced modeling sophistication will continue in the next CEP as PGE evolves its analytical capacities and PGE and the region learn through implementation.

CEP rules also expressly contemplate the Commission's ability to acknowledge a CEP subject to conditions or additional direction. Under OAR 860-027-0400(9)(b) the

[8] LC 78, Order No. 23-004. The Commission's review of Idaho Power's analysis underlying its selection of Boardman to Hemingway (B2H) in its Preferred Portfolio is of particular relevance. Idaho Power analyzed B2H over multiple IRPs, first including the permitting and construction of B2H as an action item in its 2017 Action Plan. In that IRP and subsequent IRPs the Commission identified areas of that analysis that it believed needed improvement, while at the same time acknowledging B2H Action Items. A similar situation happened in the 2019 IRP Update, where PGE introduced its resource adequacy model Sequoia. Estimating ELCCs at a yearly level meant winter adequacy issues could be alleviated by adding solar resources (which contribute little to difficult morning hours). While Staff approved and the Commission acknowledged the use of yearly ELCCs [See LC 73, Order 21-129 at 3-5], it was certainly an area that could use improvement. True to the philosophy of an iterative process, PGE advanced resource adequacy methodologies further in the 2023 CEP/IRP through the integration of seasonal ELCC modeling.

[9] *See* UM 2279 Order No. 24-002.

[10] *See* LC 73 Order No. 21-129, LC 73 Order 20-152, LC 66 Order 18-044, LC 77 Order 22-178 at 2, LC 70 Order 20-186 at 2.

Commission may acknowledge a CEP with conditions. Additionally, under OAR 860-027-0400(10), the Commission may provide direction to a utility regarding additional analyses or actions that it should undertake in its next CEP. For PGE's CEP, Staff explicitly acknowledges that the Action Plan implementing the CEP will result in "continual progress" toward the emissions reductions required in HB 2021, which is the key requirement for the CEP as described in both ORS 469A.415 and OAR 860-027-0400(3).[11] This conclusion should provide the Commission with confidence that the CEP is in the public interest and consistent with HB 2021, as required by statute.

2.3 PGE Anticipates Continued Redevelopment of Modeling to Provide More Robust Results in the Future

Throughout this proceeding, Staff questioned the reasonableness of PGE's use of an annual energy position, suggesting that hours in which PGE is forecasted to be long to the market would not have the same economic or emissions implications as those in which it is short. In response, PGE presented two analyses that evaluated its 2030 energy position. The first focused on the choices required for hourly energy position modeling, highlighting both the sensitivity of results to different choices and the likelihood that an hourly approach would necessitate increased resource acquisition to meet HB 2021 emissions reduction targets.[12] The second built on this approach and created a rough estimate of resources required to meet the newly identified hours in which PGE were short.[13]

PGE understands that this additional work did not provide sufficient detail to meet Staff's expectations for this first CEP. While Staff did acknowledge the validity of the concerns PGE raised in its two analyses, in its Final Report Staff reiterated its belief that these limitations and concerns are equally present for all IRP estimation and that PGE should have provided more insight in the LC 80 docket.[14] Further, Staff criticized PGE's lack of detail on the incremental resources required to meet emission reduction targets.[15]

At the highest level, IRP and CEP analyses do two main things. First, system needs are characterized, then second, the incremental resources needed to fill those needs are described. PGE reiterates that while many modeling decisions are required to estimate its hourly energy position, it is a relatively straightforward exercise. However, creating a resource plan that can demonstrate sufficiency for each hour of the planning horizon

[11] *See* LC 80 Staff Report at 17.
[12] LC 80 Round 1 Comments response of PGE at 49-59.
[13] LC 80 Round 2 comments and recommendations response of PGE at 19-26.
[14] LC 80 Staff Report at 15.
[15] LC 80 Staff Report at 17.

would require a considerable amount of new analysis.[16] PGE's attempt to perform this new analysis in its last round of comments was a back-of-the-envelope exercise, where individual portfolios of incremental resources (additional to those contained in the Preferred Portfolio) were added to the system and the resulting energy position was evaluated.

This approach requires PGE to determine the attributes of implementation of a full portfolio of resources and then evaluate its performance in each hour to output prevalence and patterns of short positions.[17,18] This guess-and-check approach allows for interesting comparisons between sample portfolios and could potentially provide some insight for Staff and stakeholders, which PGE sought to share through its previous reply comments. The Company is open to continuing to develop this analysis going forward if it would be helpful to parties, specifically looking to answer how the Preferred Portfolio would change if certain conditions and assumptions about PGE's position, operations, market interactions, and generation resource characteristics were changed. However, PGE believes such a rough methodology should not be the basis for revisions to the resource acquisition targets established in the Action Plan, which is rightfully intended to be the output of a more comprehensive analytical process.

PGE fully agrees that emissions forecasts (and other aspects of CEP/IRP analysis) should be as granular and accurate as practical to provide confidence in our pathway to emissions targets. However, PGE has raised and continues to have significant questions about the accuracy (and thus the usefulness) of the analysis approach proposed by Staff, particularly around the reliance on single, static generation profiles of proxy resources as well as the Company's current inability to forecast both the supply and demand of non-emitting

[16] Notably, PGE strongly disagrees with Staff's opinion of the ease of estimating the market availability non-emitting generation, as there are many uncertainties in both the estimation of supply, demand, and cost of non-emitting generation, particularly at an hourly level. PGE knows of no available studies that it could leverage for this analysis. While Staff has provided no insights into its opinion, the Company believes this area of analysis that will require significant iteration and refinement over the entire planning horizon.

[17] A more complete way to determine the size, type, and timing of resource additions in long-term planning is capacity expansion modeling. However, to address Staff's statement that evaluation of system needs should occur at the hourly level, capacity expansion modeling would also need to occur at an hourly timestep to address all short hours (and prevent additional emissions from a reliance on market purchases). This is a large departure from PGE's approach (and that of other utilities), where its capacity expansion model (ROSE-E) determines resource additions for energy requirements based on average yearly energy needs.

[18] PGE notes that a process of iteration between models to determine a resulting hourly energy position is tangibly different than the iteration it does between capacity expansion and resource adequacy modeling (described in PGE's Reply Comments). There is a tolerance between resource adequacy and capacity expansion models, with the goal of having only general alignment between the two (such that the ELCC simplifications used in ROSE-E lead to adequacy metrics deemed close enough to desired standards). Conversely, to follow Staff's direction, an analysis of hourly energy position needs to demonstrate sufficiency in each hour to be credible. This requirement would lead to far more iteration between any capacity expansion modeling conducted at anything greater than an hourly level as resources added using for example a monthly or weekly analysis would not be selected to address the specific hours of concern.

generation. Staff has agreed these are appropriate concerns.[19] The Company looks forward to working with both Staff and stakeholders to address the issues it raised in the two analyses provided in the last two rounds of comments. PGE agrees with most of Staff's points regarding the limitations of our current modeling, but the implied questions and methodological choices warrant additional time to develop appropriate answers.

PGE also notes that the development of a more granular analysis will significantly change the implication of the Company's C-level analysis. The Commission directed the Company to create a plan that achieves HB 2021 emission reduction targets up to the 50th percentile of hydro and temperature variation, such that there is an estimated 50% chance of compliance of HB 2021 emission reduction targets.[20] PGE's analysis (presented in Appendix I - C-level analysis of the 2023 CEP/IRP) estimated the additional non-emitting energy required to increase the likelihood of compliance under higher percentiles (for example, to meet emission targets under the 75th percentile all of hydro and temperature conditions PGE estimated the need to acquire an additional 0.36 million MWhs). However, the intra-year timing of this additional energy will be critical, as it would need to displace otherwise dedicated thermal generation or market purchases with no associated emissions. The conversion of those MWhs to the required nameplate MWs will have significant procurement, transmission, and cost implications should the Commission ever direct PGE to increase the level of certainty of compliance.

2.4 Improvement of Modeling Capabilities for Future CEP cycles will be More Productive than Refiling in a Compressed Timeline

Staff recommends PGE revise and resubmit elements of its CEP "before its IRP/CEP Update in 2025" in order "to provide sufficient confidence that PGE has shown a reasonable upper bound of actions needed to meet its 2030 emissions reduction targets."[21] PGE is concerned that requiring PGE to refile its CEP in this timeframe will not produce a sufficiently improved plan that will satisfy Staff, stakeholders and the Commission. Additionally, such a filing could also trigger additional stakeholder review processes to inform a Commission acknowledgment decision of the CEP, which that would seemingly run in parallel with the IRP/CEP Update. PGE is concerned that this would be an overly complicated and inefficient use of resources. Instead, PGE requests that the Commission

[19] Staff Report at 15, though PGE notes some confusion about this point. Staff states that PGE 'raised several concerns with using the production cost modeling approach.' PGE clarifies that it did not raise concerns about production cost modeling as a whole, but rather the application of such modeling in this singular context (forecasting emissions). PGE looks forward to working with and gaining insight Staff and stakeholders on the particular questions it raised in this docket.

[20] UM 2225 Order 22-446 at 14.

[21] Staff Report at 14.

acknowledge this CEP and then allow the Company to develop this analysis for inclusion in a later regulatory filing.

As PGE has recognized several times that its analysis of the Company's energy position is an area in need of continued improvement, PGE also understands the concerns that Staff has highlighted. The Company will continue to work to increase its ability to forecast emissions at greater granularity. The longer PGE is given to invest in this development, the more insight and direction the Company will be able to provide. Further, including this analysis in the CEP/IRP Update will enable stakeholder participation in its development and a better ability to review, both of which could be precluded if an earlier filing date is preferred by the Commission. PGE is open to Commission direction as to what any additional filing would include and when it would be most beneficial.

While PGE is committed to developing these modeling improvements, the Company notes that this development necessarily will reduce the availability of analytical resources to answer other questions of interest identified by PGE, the Commission, Staff, and stakeholders. This is especially salient given the list of expectations for changes for both the coming CEP/IRP Update and the next full CEP/IRP filing.

While PGE believes Commission acknowledgement of its CEP is appropriate, the Commission retains the option to acknowledge the CEP with conditions.[22] If it would like to impose a condition or directive on the Company, it could require that PGE improve its modeling for the next CEP/IRP or CEP/IRP Update. This will give PGE adequate time to make these improvements and vet them with stakeholders during the public input processes. This approach of acknowledging this first CEP while providing direction for improvements will address Staff's concerns while providing PGE with enough time to undertake these significant modeling improvements. If the Commission prefers this path, PGE would support a condition that promotes the iterative process of CEP/IRP analytical improvement in a thoughtful and collaborative way.

Chapter 3. Other Issues

3.1 Request for Proposals

PGE generally agrees with Staff Recommendation 2, which recommends acknowledgment of capacity and energy actions subject to the condition that PGE "will file a proposal for a Long Lead Time Resource Request for Information (RFI) developed via a stakeholder process in LC 80 and facilitate a stakeholder discussion (workshop) on the findings of the

[22] *See* OAR 860-027-0400(9).

RFI and allow sufficient time for stakeholder review of its RFI before proposing its next steps."[23]

PGE is amenable to the development of an RFI and agrees with Staff and Renewable Northwest that a longer time horizon process to identify resources in development, and how PGE's investments in the grid may need to evolve to accommodate future resources, is an appropriate component of our progress to decarbonize. In comments filed November 21, 2023, PGE agreed to file a proposal for an RFI within LC 80 and facilitate a stakeholder discussion of key findings following the RFI process.[24] This is consistent with PGE's May 19, 2023 Draft Request for Proposal filing, which noted that longer-lead time processes such as an RFI are a necessary part of resource procurement.[25]

However, as noted in the planning and procurement forecast filed in response to Order No. 23-146, PGE will be in a near-continuous acquisition cycle as the company makes continual progress toward the decarbonization targets included in HB 2021. The planning and procurement forecast made several suggestions intended to reduce the number of contingencies that exist before bids can be received and scored, such as the ability to "seek, score, and evaluate bids multiple times, as needed, provided the final shortlists are compliant with the approval of the RFP structure received by the Commission and are consistent with the remaining need from the most recently acknowledged IRP."[26]

PGE makes a similar request here, both committing to begin the RFI process before the next all-source RFP, but also requesting that completion of the RFI not serve as a contingency to PGE moving to meet capacity and energy needs identified in the Action Plan. This request is of particular importance if the full capacity and energy need articulated in the Action Plan is not met through the in-progress 2023 RFP, which will likely necessitate PGE seeking to re-issue an RFP to close the need. Continued progress to meet near-term needs can be made even while PGE and stakeholders gather additional information on long lead-time resources.

Stipulating that PGE should begin development of the RFI, working with stakeholders to develop and run the process in parallel to near-term resource acquisition, is consistent with PGE's read of the outcome sought by Staff and stakeholders. PGE respectfully requests that the Commission modify Recommendation 2 to read as follows:

> *Acknowledge PGE's Energy and Capacity Action Items subject to the following condition: Before issuing its next utility-scale RFP, PGE will file a proposal <u>to begin development of</u> a Long Lead Time Resource RFI. <u>The RFI should be</u> developed via a stakeholder process in LC 80 and facilitate a stakeholder discussion (workshop) on the*

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[23] Staff Report at 26.
[24] PGE Reply comments at 4.
[25] UM 2274, PGE Draft RFP filing at 2.
[26] UM 2274, PGE Planning and Procurement forecast at 3.

findings of the RFI and allow sufficient time for stakeholder review of its RFI before proposing its next steps *regarding actions needed to accommodate long lead-time resources*.

3.2 Community Engagement and Community Benefits

PGE supports Staff's recommendation to advance Community Benefit Indicators (CBIs) by collaborating with stakeholders and a third-party consultant. In addition, PGE will engage the Community Benefit Impacts Advisory Group (CBIAG), Energy Advocates and any other interested parties in assisting the ongoing development of CBIs. Also, we will use the Learning Lab to inform participants and provide CBI updates and if applicable, collect feedback from participants. We recognize the complexity and significance of CBIs and acknowledge the ongoing work required to refine and improve in collaboration with stakeholders.

PGE supports Staff's recommendation to establish a workgroup to define successful community engagement, develop codifiable standards and guidelines, increase understanding of community expectations, and propose improvements for future IRP/CEPs. We look forward to collaborating with stakeholders, utilities, and the CBIAGs, actively participating in evolving proposed improvements. PGE appreciates the opportunity to enhance community engagement efforts.

3.3 Small-Scale Renewables

Staff Recommendation 5 recommends the Commission direct PGE to include a small-scale renewable (SSR) compliance analysis in the next CEP/IRP Update that shows PGE's projected SSR compliance position and outlines actions the Company plans to take to address any identified shortfall.[27] PGE is committed to meeting its SSR requirements and agrees with this recommendation to include such an analysis in the next CEP/IRP Update. However, PGE notes that there is no SSR requirement prior to 2030 and as described in the Commission rulemaking on the matter, PGE is not required to demonstrate planned compliance until 2029.[28] It would therefore be improper to characterize the analysis in the next CEP/IRP Update as a compliance analysis and it should rather be considered an informative exercise illustrating PGEs planned pathway to SSR compliance in 2030 given the information available at the time.

[27] ORS 469A.210 requires that 10 percent of PGE's aggregate electrical capacity be from SSR facilities starting in 2030.
[28] AR 622, Order No. 21-464 at 15: "We adopt rule language that requires compliance reports annually beginning in 2029 and continuing annually thereafter."

3.4 QF assumptions

Staff Recommendation 9 states "The Commission should decline to acknowledge PGE's avoided cost pricing inputs and direct PGE to recalculate its IRP inputs using an assumption of 75 percent for QF renewals and the QF success rate for Schedule 202 projects." PGE does not agree that the Commission should direct PGE to recalculate its IRP inputs using an assumption of 75 percent for QF renewals and QF success rate for Schedule 202 projects. The changes recommended by Staff are likely to have an immaterial impact on PGE's 2023 IRP/CEP. Adoption of the interim estimates of 75 percent would decrease the nameplate capacity of QF projects online in 2030 by 25 MW, leading to minor adjustments to Preferred Portfolio near-term energy and capacity needs and minimal impacts to resource specific ELCC calculations.

PGE requests that the Commission clarify that Staff's recommendation for an interim estimate of 75 percent for both assumptions should be incorporated through an update to avoided cost pricing inputs for UM 1728 compliance. The interim estimate should be applied with the understanding that assumptions could be revisited by PGE each year as new information, trends, etc. become available. PGE would like to emphasize the importance of the correlating policy dockets, such as UM 2000 (Broad Investigation into PURPA), UM 2299 (Joint Utilities Standard PPA for QFs up to 10MW), UM 2032 (Treatment of Network Upgrade Costs for QFs), etc., which have a meaningful impact to PGE's QF assumptions.

Chapter 4. Conclusion

PGE respectfully requests that the Commission acknowledge its CEP with the understanding the PGE will continue to refine its modeling capabilities in line with Staff's comments and emerging best practices in the industry. This would allow PGE, Staff and Stakeholders to move beyond this first CEP and dedicate the necessary time to improvements before the next CEP is due. This can be done through acknowledging PGE's CEP without conditions, but if the Commission would like to provide express direction to PGE to improve its modeling for the next CEP, it could either acknowledge PGE's CEP subject to a condition to improve its modeling, or with express direction to do so. While PGE does not believe it is necessary because PGE already intends to do this work, these are procedural avenues the Commission could take if it chooses to do so.

Chapter 5. Summary of Responses to Draft Recommendations

Table 1. PGE Comments on Staff Final Recommendations

Staff Rec No.	Staff Recommendation	PGE Round 2 Comments
IRP Acknowledgement		
1	Acknowledge PGE's CBRE Action Item subject to the condition that PGE pursue the broader range of procurement actions that it identified in comments in this docket.	**PGE agrees** and is advancing a CBRE acquisition approach that reflects the input received through the LC 80 docket.
2	Acknowledge PGE's Energy and Capacity Action Items subject to the following condition: Before issuing its next utility-scale RFP, PGE will file a proposal for a Long Lead Time Resource RFI developed via a stakeholder process in LC 80 and facilitate a stakeholder discussion (workshop) on the findings of the RFI and allow sufficient time for stakeholder review of its RFI before proposing its next steps.	**PGE generally agrees**, with the slight modification recommended above to clarify that PGE's ability to meet Action Plan capacity and energy needs should be based on the initiation of the stakeholder RFI process, not contingent on completion of the long lead-time RFI.
CEP Acknowledgement		
3	Decline to acknowledge PGE's expected reduction of greenhouse gas emissions in the Clean Energy Plan as credible based on the Preferred Portfolio and direct the Company to make the following revisions and resubmit the revised plan before its IRP/CEP Update in 2025: • PGE shall conduct hourly production cost simulation of its Preferred Portfolio under the Reference Case in a manner that separately tracks hourly purchases and hourly sales. PGE will use this analysis to revise its GHG emissions forecast and to revise its submission to DEQ. • PGE shall update the Preferred Portfolio accordingly and provide a brief narrative explanation of the key planning insights derived from this exercise.	**PGE does not support Staff's recommendation.** PGE's inaugural CEP provides a reasonable pathway toward 2030 and 2040 emissions targets, based on the information, analytical methods, and time available in this proceeding. As such, it deserves OPUC acknowledgement. If additional revisions would be helpful before filing the CEP/IRP Update, PGE is open to providing details from its latest modeling iterations. This could include evaluating the emissions performance of one or more sensitivities to the Preferred Portfolios for informational purposes and provide a brief narrative on the planning insights included. However, PGE does not believe the Preferred Portfolio or its emissions forecast to DEQ should be revised.
Other Issues		

Staff Rec No.	Staff Recommendation	PGE Round 2 Comments
4	Direct PGE to work with Staff to propose a new method for calculating avoided costs in Docket No. UM 1893. The avoided cost proposal should resolve the shortcomings identified by PGE and Staff, including but not limited to the shift from one avoided capacity value to annual values, the impact of constraints observed in the model, and the need to procure clean electricity not captured by forward market prices.	**PGE agrees**, and looks forward to collaboration in the upcoming UM 1893 process.
5	Direct PGE in the next IRP/CEP Update to include an SSR compliance assessment. The SSR analysis should state the projected SSR compliance position, broken out by relevant resource types, and outline the actions the Company plans to take to fill any identified SSR shortfalls.	**PGE generally agrees**, and will provide updated analysis in the IRP/CEP Update. PGE believes it would be more appropriate for the recommendation to refer to an "informational" analysis to avoid creating an expectation that the analysis fulfills a compliance purpose.
6	Direct PGE to work collaboratively with Staff, stakeholders, peer utilities, and the CBIAGs in a dedicated working group to develop clear, actionable improvements to community and stakeholder engagement in subsequent IRP/CEPs by December 31, 2024. If PGE cannot complete this effort by this timeline, PGE should provide a detailed status update by the same date and explain how it will ensure that remaining issues are resolved as soon as practicable.	**PGE agrees**
7	Direct PGE to conclude its process to develop informational and portfolio CBIs and provide baseline metrics prior to filing its next IRP/CEP Update. If PGE cannot complete this effort by this timeline, PGE should provide a detailed status update and explanation of how it will ensure that remaining issues are resolved as soon as practicable.	**PGE agrees**
8	Direct PGE to include a report on federal incentive implementation and its key impacts on the Company's Action Plan and 2030 resource strategy with its next IRP/CEP Update.	**PGE agrees**
9	The Commission should decline to acknowledge PGE's avoided cost pricing inputs and direct PGE to recalculate its IRP inputs using an assumption of 75 percent for QF renewals and the QF success rate for Schedule 202 projects.	**PGE agrees** to use updated assumptions in its avoided cost docket UM 1728, but **does not agree** that it should recalculate IRP inputs with updated assumptions.
Staff Expectations for Future IRP		
N/A	Staff Round 2 comments also highlighted a range of opportunities to improve the next IRP/CEP that PGE should be prepared to address in its plan development process and the investigation into the	PGE appreciates Staff's clarification that these expectations are a "list of priorities and ideas" as opposed to "comprehensive or rigid requirements." PGE looks forward

Staff Rec No.	Staff Recommendation	PGE Round 2 Comments
	Commission's planning and procurement policies expected in 2024.	to working with Staff and stakeholders on these topics through subsequent discussions.