

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2011

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON,

General Capacity Investigation.

PROCEDURAL  
MEMORANDUM

On January 25, 2021, the Public Utility Commission of Oregon held a procedural conference in this docket. Representatives appeared on behalf of Commission Staff, Alliance of Western Energy Consumers, the Oregon Citizens' Utility Board (CUB), Idaho Power Company, NewSun Energy LLC (NewSun), Northwest Energy Coalition, Northwest & Intermountain Power Producers Coalition, Oregon Solar Energy Industries Association, Pacific Ocean Energy Trust, PacifiCorp dba Pacific Power, Portland General Electric Company, Renewable Energy Coalition, and Renewable Northwest.

In response to the questions identified in my January 15, 2021 memorandum, Staff submitted comments on January 21, 2021, proposing to continue a non-contested case process in this docket, setting forth a proposed schedule, and identifying issues anticipated to be addressed in the next phase of this proceeding. Staff's proposed schedule provides for a continuation of the informal, Staff-led investigation, culminating with Staff presenting a recommendation to the Commission at a public meeting on June 15, 2021. Staff proposes that this docket continue to proceed informally to allow Staff and participants to work collaboratively on a generic capacity valuation methodology and draft rules to codify that methodology. Staff anticipates presenting a draft of proposed rules, with a recommendation to close this docket and open a rulemaking in a public meeting memorandum.

At the procedural conference, numerous participants supported the continuation of an informal process as proposed by Staff, with NewSun and CUB recommending the possibility of more workshops within this process. Idaho Power Company, PacifiCorp, and Portland General Electric Company (Joint Utilities) proposed that this proceeding should be conducted as a contested case, asserting that the issues are complex, fact-intensive, and historically have been highly contentious. The Joint Utilities indicated they do not oppose a rulemaking to set policy after a contested case process. Earlier in this proceeding, on August 17 and October 15, 2020 the Joint Utilities filed comments arguing that the scope of the proceeding had shifted to overlapping with docket UM 2000 by focusing on qualifying facility (QF) avoided cost pricing. At the procedural conference, the Joint Utilities recognized that the scope of the proceeding as described in Staff's comments represents a shift back towards a broader capacity valuation investigation, but maintain that the issues identified in Staff's comments are directly

related to issues in docket UM 2000 and continue to recommend consolidating these investigations due to the overlap of issues.

The Commission opened this investigation to examine appropriate methods for capacity valuation and develop a generally applicable capacity valuation methodology, recognizing that a comprehensive approach could inform and lead to consistency across multiple dockets and resource types. Any methodology developed in this proceeding likely will have applications across multiple proceedings, and is not limited to QF avoided cost issues subject to investigation in docket UM 2000. As a result, consolidation of these dockets is not warranted. Additionally, as I noted at the procedural conference, the issues that may be addressed during the next phase of this proceeding are not necessarily limited to those identified in Staff's comments, and additional issues may be raised during the remaining process.

To date, this proceeding has been conducted as a non-contested, Staff-led investigation, including a series of workshops, and more recently, the filing of a report from the consultant E3, and Staff comments filed on January 14, 2021. I decline to establish a contested case process for this docket. I find that a continuation of the non-contested, Staff-led process will facilitate a more collaborative and inclusive approach to policy development, and will provide participants with further opportunities to reach consensus where possible prior to the Commission determining whether to open a rulemaking. Rather than focusing this next phase specifically on developing draft rules, this process should focus on vetting Staff's concepts and should culminate in a Staff recommendation at a public meeting on the methodology Staff proposes to pursue through further process, which may include rulemaking.

As a Staff-led process, the dates for participant workshops and comments need not be set in a formal procedural schedule. Rather than adopt the procedural schedule proposed by Staff, I request that Staff work with the participants to develop a schedule that provides opportunities for robust participation via workshops and the filing of comments to develop Staff's recommendation. In addition, the schedule should provide for at least one participant workshop and submission of comments on Staff's initial draft recommendation, followed by a Commission workshop.

Dated this 29th day of January, 2021, at Salem, Oregon.



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Alison Lackey  
Administrative Law Judge