



March 8, 2021

**Re: Response comments to E3 Report and Staff Comments in Docket UM 2011**

The Northwest & Intermountain Power Producers Coalition (NIPPC)<sup>1</sup> appreciates the opportunity to submit these brief comments in Docket UM 2011 with respect to Staff's proposed capacity valuation methodology and the recent report, "Principles of Capacity Valuation, UM 2011 Capacity Investigation," written by Energy and Environmental Economics, Inc. (E3). NIPPC has submitted detailed comments in this docket in the past and plans to continue monitoring and engaging in this docket in subsequent workshops and rounds of comments, including in response to the views and proposals of other parties.

NIPPC supports continuing this docket as a non-contested case and agrees with Staff's view that doing so allows for more stakeholder participation and engagement. To date, members of NIPPC with extensive experience deploying various types of electric generation and storage technologies have been able to engage in detail in this docket and should be encouraged to continue doing so.

NIPPC's broad preference would be for load-serving entities in the Pacific Northwest to count, value, and compensate capacity using similar if not equivalent methodologies. Whether in individual utilities' integrated resource plans or a regional resource adequacy program, such as the program currently being designed through the Northwest Power Pool, consumers in Oregon and nearby states will benefit from updating and establishing more uniform capacity methodologies. More uniform effective load carrying capability values (or alternative values) across multiple states in the Western Interconnection could reduce a significant transaction cost of developing and marketing generation and storage resources in the region—accounting for and sometimes litigating discrete capacity methodologies unique to each utility.

Updating these methodologies is particularly important as the states in the region increasingly decarbonize the electric power system, whether to carry out state law or to meet consumer demand to accelerate the deployment of clean energy. The proliferation

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<sup>1</sup> NIPPC represents competitive power participants in the Pacific Northwest. NIPPC members include owners, operators, and developers of independent power generation and storage, power marketers, and affiliated companies. Collectively, NIPPC represents over 4,500 megawatts of operating generation and an equal amount permitted or under development.

of non-dispatchable capacity resources in the region, as well as hybrid systems that combine renewable generators and storage resources, will demand sustained attention from the Commission and other regulatory entities. The Commission has an important role to play in updating Oregon's approach in anticipation of setting a thoughtful example for the region.

NIPPC recommends that the Commission consider how each utility may, to the extent it participates in a regional resource adequacy program, be subject in the near future to adjusting its methodologies to align with a more uniform regional metric for resource adequacy and capacity measurement. NIPPC also supports accounting for differences in capacity that depend on location, such as local irradiance, as the Staff report suggests with respect to potential "library" groupings of resources.

NIPPC appreciates the Commission's consideration of these comments and its continued solicitation of feedback in this docket.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Gray", with a stylized flourish at the end.

Spencer Gray  
Executive Director  
Northwest & Intermountain  
Power Producers Coalition