

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 73

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2019 Integrated Resource Plan.

Renewable Northwest’s
Comments on PGE’s IRP Update

April 12, 2021

Renewable Northwest thanks the Oregon Public Utility Commission (the “OPUC” or the “Commission”) and OPUC Staff (“Staff”) for this opportunity to comment on Staff’s April 6, 2021 Report (“Staff Report”) regarding Portland General Electric’s (“PGE”) Update to the 2019 Integrated Resource Plan (“IRP Update”).

On March 10, 2021, Renewable Northwest filed comments supporting PGE’s proposed resource action, which would see the company release a Request for Proposals (“RFP”) seeking “150 MWA of renewable resources and non-emitting capacity resources to address PGE’s 2025 forecasted capacity shortfall”¹ and requesting clarification regarding how PGE’s proposed RFP will be designed to help address the company’s identified capacity need.

The Staff Report goes into additional detail on PGE’s capacity need and how the company proposes to address it. Specifically, Staff notes that the “2019 IRP Update preferred portfolio has less near-term dispatchable capacity than the 2019 IRP preferred portfolio, and includes additional renewables in 2023 and 2026” and concludes that “[t]his appears to be a result of the 2020 PTC extension.”² However, Staff also attributes this result in part to PGE’s market price forecast and proposes “low market price and PTC extension sensitivities” for use in the company’s upcoming RFP.³ Ultimately, Staff frames the RFP that will follow PGE’s IRP Update as a “choice between dispatchable, non-emitting capacity and near-term renewable resources for meeting [PGE’s] capacity needs.”⁴

¹ IRP Update at 16.

² Staff Report at 10.

³ *Id.* at 11.

⁴ *Id.*

Renewable Northwest appreciates PGE’s work to demonstrate that high capacity-factor renewable resources, as well as hybrid renewable-plus-storage resources, can contribute significantly to meeting the company’s capacity needs while also providing energy to strengthen the company’s market position. At the same time, PGE’s Reply Comments acknowledge that the company has a capacity need beyond what near-term renewable acquisitions are likely to provide. Accordingly, the company reports:

PGE plans to have a single RFP that involves concurrent procurement of both renewable and non-emitting capacity resources. PGE intends to meet its identified 2025 capacity need through this procurement process and bilateral negotiations, subject to the conditions of the acknowledged action plan.⁵

As to one such non-emitting capacity resource -- pumped hydro storage, which appeared in the company’s initial preferred portfolio but not the IRP update -- the company explains that: “after adding the total amount of renewables possible as well as the Capacity Fill resource, the remaining capacity need is lower” and “[a]ccordingly, having fewer longer-duration storage resources added in the near-term is both logical given changes in inputs and consistent with earlier results.”⁶ That said, in acknowledgment that pumped hydro storage has consistently performed well in PGE’s analysis and provides unique value as a long-duration, non-emitting storage resource, the company explains that “long-lead-time resources will be permitted to participate [in PGE’s RFP] without necessitating a 2024 COD if the Company can pair them with short-term contracts to meet PGE’s interim capacity needs.”⁷ This approach seems consistent with Staff’s recommendation that PGE “fully allow and consider all non-emitting capacity types in its upcoming RFP, including long lead-time resources like pumped hydro storage.”⁸

In light of PGE’s additional explanation in its Reply Comments, Renewable Northwest suggests that the pending RFP should not be viewed as a “choice between dispatchable, non-emitting capacity and near-term renewable resources for meeting [PGE’s] capacity needs,” but rather as an opportunity to procure a highly valuable, time-limited resource that can provide both capacity and energy value (PTC-eligible wind) and a non-emitting dispatchable resource to address the company’s pending capacity shortage (pumped hydro storage).⁹ We appreciate the company’s efforts to design an RFP that will take advantage of this opportunity to meet the company’s needs, and look forward to working with PGE in the IE docket later this month.

⁵ PGE Reply Comments at 27.

⁶ *Id.* at 23.

⁷ *Id.* at 27.

⁸ Staff Report at 4.

⁹ *Id.*

Once again Renewable Northwest thanks the Commission for this opportunity to comment and looks forward to working with the Commission, PGE, and other stakeholders on PGE's upcoming RFP.

Respectfully submitted this 12th day of April, 2021,

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