

August 17, 2020

To: Oregon PUC Docket No. 2011 Service List

From: Fred Heutte, NW Energy Coalition

Comments on Agenda and Issue List for August 20 UM 2011 Workshop

The NW Energy Coalition (NWEC) appreciates the opportunity to provide informal comments about the Staff's proposed agenda and issues list for the UM 2011 workshop on August 20, 2020.

We consider this docket an important process for improving the approach to capacity valuation, especially in the context of the growing focus on resource adequacy in Oregon and throughout the Western Interconnection.

From the explanation, issue list and proposed schedule in the agenda notice, we understand that Staff is not proposing, as before, to convert UM 2011 to a contested case, and we thank Staff and support that direction.

However, we have concerns about the new focus on prioritizing PURPA capacity valuation in the docket. The agenda notice states, "After several months of analysis, Staff concludes that it is inefficient at this point to attempt to design a methodology that works as well for PURPA implementation as it does for valuing energy efficiency or DSM. Accordingly, Staff proposes to focus on the application that would provide the most immediate benefit."

The E3 presentation at the most recent UM 2011 workshop on July 9 indicated that the Effective Load Carrying Capability (ELCC) method does have the ability to provide a consistent measure of capacity value across a broad range of resource types. It's also clear that ELCC, like any method, is dependent on proper implementation and has some analytical constraints.

Furthermore, recent work by the Northwest Power and Conservation Council staff, as outlined in a presentation at a Council workshop on August 5, shows that their variation on ELCC (called Associated System Capacity Contribution or ASCC) identifies high value for energy efficiency in particular, as well as for demand response and storage. See the example slide below. Council staff also presented a new refinement ("array tables") for comparing resource portfolios to provide a good representation of the capacity contribution from all resource types that explicitly includes resource diversity and complementarity.

Therefore, while there are substantial complexities to capacity valuation, we believe significant methodological advances are being made with respect to ELCC and other approaches that open up the possibility for a more accurate and effective solution in this docket.

Turning specifically to PURPA capacity, if we understand the statement above correctly, Staff is proposing to focus on that issue rather than other aspects including energy efficiency and DSM (presumably including demand response, distributed generation and storage). We are concerned

that moving forward on PURPA capacity valuation and compensation at this point could narrow the range of options considered for capacity valuation generally going forward.

However, PURPA does not appear in the issue list so we hope for clarification on how PURPA capacity valuation and a potential compensation framework fit in to the proposed approach.

We appreciate Staff's interest in addressing solutions for both capacity valuation generally and the PURPA issue in particular.

As a result, NWECC suggests moving forward to assess and make progress on the issue list as proposed by Staff, but without any limitation or sequencing at this time on the types of resources or applications being considered.

Thank you for considering these comments.

/s/

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Single-Resource ASCC Values (%)¹

Resource	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
4-Hour Battery	26%	N/A	45%	34%
Combined Cycle CT	148%	N/A	111%	153%
Combo Winter-Summer DR	63%	N/A	32%	38%
Energy Efficiency	182%	N/A	108%	199%
Gorge Wind	14%	N/A	21%	13%
Montana Wind	61%	N/A	36%	44%
Pumped Storage	41%	N/A	61%	44%
S Idaho Solar	41%	N/A	54%	39%

¹ASCC values when adding 2,100 MW of new resource and assuming historic water and temperature conditions. ASCC values diminish as more resource is added.

²ASCC values for energy efficiency are based on average annual EE savings and not peak-hour savings.