

August 17, 2020

**Re: *In the Matter of Public Utility Commission of Oregon General Capacity Investigation, Docket No. UM 2011 – Joint Utilities’ Comments on Issues List and Process***

In accordance with Staff’s August 7, 2020, email, Portland General Electric Company (PGE), PacifiCorp d/b/a Pacific Power (PacifiCorp), and Idaho Power Company (Idaho Power) (together, the Joint Utilities) submit these comments on Staff’s proposed issues list and procedural schedule for docket UM 2011. The Joint Utilities appreciate the opportunity to file these comments and Staff’s work to develop an issues list and scope for the Public Utility Commission of Oregon’s (Commission) general capacity investigation. The Joint Utilities look forward to discussing these issues at the August 20, 2020, workshop.

In these comments, the Joint Utilities raise two issues for discussion at the workshop. *First*, now that docket UM 2011 is focused exclusively on methodologies for determining qualifying facility (QF) avoided cost prices, the Joint Utilities recommend that docket UM 2011 be consolidated with docket UM 2000, which is also examining avoided cost methodologies. Maintaining a single process, instead of multiple dockets, is more efficient and would best ensure consistent results based on a holistic investigation of avoided cost methodologies.

When the Commission opened this docket, it was not intended as a generic investigation into QF avoided cost prices. On the contrary, this docket was an investigation into capacity valuation to develop a generally applicable methodology to apply across a broad range of applications, including energy efficiency, demand response, utility resource planning, and QF avoided cost pricing, among others.<sup>1</sup>

Shortly after opening docket UM 2011, the Commission opened docket UM 2000 to “examine the appropriate methodology for calculating avoided costs.”<sup>2</sup> As part of docket UM 2000, “Staff proposes to examine alternative methodologies for setting avoided costs,” which Staff acknowledged could result in “complete methodological changes.”<sup>3</sup> Staff acknowledged that docket UM 2000 would address “capacity related issues” and noted that

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<sup>1</sup> *In the Matter of Public Utility Commission of Oregon General Capacity Investigation, Docket No. UM 2011, Order No. 19-155, App. A at 2 (Apr. 26, 2019).*

<sup>2</sup> *In the Matter of Public Utility Commission of Oregon Request to Adopt a Scope and Process for the Investigation into PURPA Implementation, Docket No. UM 2000, Order No. 19-254, App. A at 28-29 (July 31, 2019).*

<sup>3</sup> *Id.* at 29.

“there are potential ramifications that could occur depending on what transpires in the UM 2011 docket.”<sup>4</sup>

Staff now proposes turning docket UM 2011 into a QF-specific investigation into avoided cost methodologies, just as docket UM 2000 is a QF-specific investigation into avoided cost methodologies. Given that both dockets are investigating the same matter, evaluating all the issues in a single docket is straightforward, administratively efficient, and will ensure consistency. Furthermore, evaluating all issues in a single docket would improve the Commission’s ability to consider guidance from the Federal Energy Regulatory Commission’s Order No. 872<sup>5</sup> into the Commission’s avoided cost methodologies. Bifurcating avoided cost issues into multiple processes ignores the fact that many of the issues that could be addressed in dockets UM 2011 and 2000 overlap and are highly interdependent.

*Second*, even if this docket is not consolidated, it must be a contested case process. At the July 9, 2020, workshop, Staff indicated that the generic capacity investigation would be a contested case. This recommendation was reasonable because the issues that the Commission will address in this case are complex, fact-intensive, and historically have been highly contentious. Such issues are ill-suited for resolution through non-contested case processes, which do not allow for the submission of testimony or the cross examination of witnesses. The use of a contested case for docket UM 2011 is also consistent with the use of the same process in docket UM 2000, and the Commission’s investigations into avoided cost methodologies going back to at least docket UM 1129.

Staff’s August 7, 2020, email now proposes a non-contested case process for docket UM 2011. It is unclear why Staff’s position changed, but the Joint Utilities continue to support a contested case process for docket UM 2011.

The most efficient way to evaluate avoided cost methodologies is through a single contested case proceeding where every aspect of avoided costs is afforded due process and where the Commission can holistically examine all the inherently interdependent and overlapping issues at the same time and ensure consistent results.

Respectfully submitted,



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<sup>4</sup> *Id.*

<sup>5</sup> *Qualifying Facility Rates and Requirements Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, 172 FERC ¶ 61,041 (July 16, 2020).

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