

Stakeholder Update

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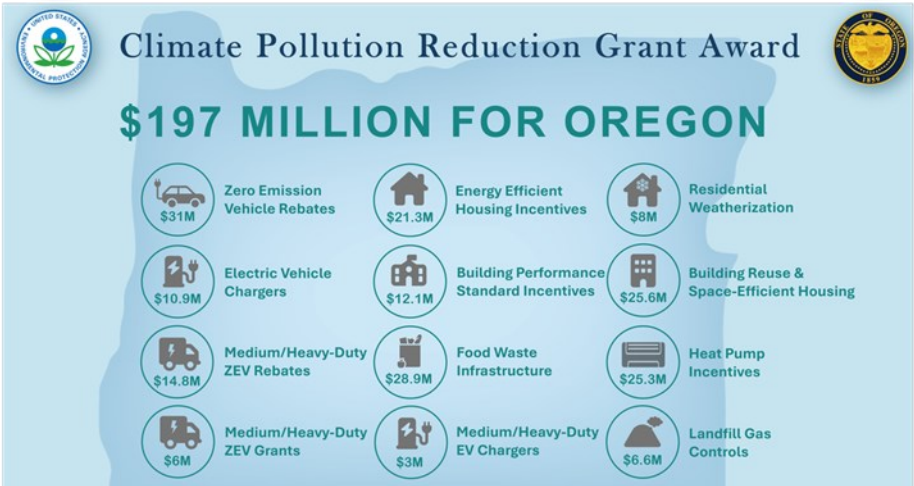
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Recent federal awards illustrate clean energy transition efforts ahead

By Zach Baker, Commission Policy Advisor

Achieving a reliable and affordable clean energy transition will require Oregon-specific efforts as well as coordinated regional efforts. Recent federal awards involving Oregon help encapsulate this multilayered strategy.

In July, [Oregon received a \\$197 million grant from the federal Climate Pollution Reduction Grant Program](#) to reduce greenhouse gas emissions through a variety of actions including transportation electrification and building energy efficiency. [The grant award](#) was part of a collaboration between Oregon state agencies. Of Oregon’s total award, Energy Trust of Oregon (ETO) will receive \$15 million to support construction of more affordable energy efficient housing in communities across the state and install weatherization and enabling repairs in existing homes for customers who need them most—especially folks living in rural areas, people with low incomes and communities of color. Funding enabling repairs that can’t be ratepayer funded through the federal grant helps customer-funded energy efficiency dollars go farther and reach more Oregonians. The Oregon Public Utility Commission (PUC) will be working closely with ETO to help guide and monitor oversight and controls of these activities and funds moving forward.



In August, [regional projects involving Oregon investor-owned utilities received almost \\$1 billion in awards](#) from the federal [Grid Innovation Program](#) to enhance grid resilience and reliability through regional transmission improvements. The Utah Office of Energy Development’s Reliable Electric Lines: Infrastructure Expansion Framework award involving PacifiCorp will deploy advanced conductor cables to significantly boost transmission capacity using existing rights-of-way. The project is anticipated to improve grid reliability for 700,000 utility customers across four states (including Oregon) and five tribal nations and enable the integration of more than 500 MW of renewable energy. The award to the Montana Department of Commerce for the North Plains Connector Interregional Innovation project, which Portland General Electric has expressed a non-binding intent to participate in, will build a 3,000 MW High-Voltage Direct Current Voltage Source Converter transmission line, bridging the Western and Eastern Interconnections. Transmission crossing interconnection boundaries makes our grids “bigger than the weather,” facilitating resource sharing across diverse geographies and electricity markets to lower costs and improve

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Oregon's focus on utility safety: Improving results for the public, utility workers

As wildfires and extreme weather events wreak havoc on our electrical system and our communities, the work of the Oregon Public Utility Commission's Safety Team is even more important. Our vegetation and National Electrical Safety Code (NESC) audits provide insights into the landscape today, establishes minimum standards for operators, holds utilities accountable - including in cost recovery, and helps address reliability issues and public safety during day-to-day operations of the system.

Management of vegetation around power lines, utility poles and substations is a critical part of system maintenance for an electric utility. Oregon has a proactive vegetation management program, which helps improve reliability and reduce risk. All electric utilities in Oregon, not just the investor-owned utilities, are subject to the PUC's vegetation management rules and any probable violations are reported to the utility for correction within 30 or 180 days, depending on the severity of the violation.

Oregon and California are the only states with specific vegetation clearance minimums around utility infrastructure. Also, to our knowledge, Oregon is the only state with commission staff proactively auditing utility vegetation management programs, rather than merely responding to complaints or issues noted in mitigation plans, which is what many utility regulators across the country do.

PUC vegetation audits – What the Safety Team does

The PUC Safety Team performs field audits annually to evaluate the vegetation management programs for the investor-owned electric utilities regulated by the PUC. Every three years, the PUC inspects vegetation as part of the NESC inspection for consumer-owned utilities, which are not regulated by the PUC other than for safety standards. NESC is a minimum standard in Oregon for installation, operation, and maintenance of electric utility and communication lines and they are adopted in Oregon Administrative Rules.

In these proactive, field audits Staff divides the utility service territory into districts or regions. Then a PUC team member visits each area, starting at a substation and working out to the last customer on the line. Just to be clear, it is not necessarily a full system audit. For instance, if the auditor discovers crews working vegetation in the area, they will likely confer with them about what they have done and are doing, but generally not document clearance issues since they will be gone as the crews complete the work. Also, in cross country or limited access areas (like back lot construction) there may also be less ability for full scrutiny of those assets. Staff checks for vegetation interference with overhead power lines based on the rules set in OAR 860-024-0016. Our team conducts the audits during the time of year when vegetation growth is at its maximum so interference can be readily identified.

What staff looks for

Utilities are required to trim trees, clear around poles and lines, and to manage the vegetation in the utility's right-of-way around their equipment. The rules do not address trees outside of the utility's right-of-way, so we work in partnership with other agencies to encourage the public to manage trees on their property.

Rules are based on 'reasonably anticipated' operating conditions. During an extreme weather event, compliance with these vegetation standards may not fully avoid outages. Utilities are required to manage their vegetation management programs to ensure safe and reliable service, which could require exceeding the minimum standards established in the rules.

How things have changed

Not that long ago, our Safety Team would travel with large, printed maps, they took film pictures and handwritten notes in the field that then had to be deci-

phered and typed into a Word document. Reports were manually collected in a spreadsheet. There were two staff in each vehicle to manage all these tasks. This process was more labor and time-intensive and could result in errors due to the amount of data that needed to be captured.

Now, staff uses ArcGIS digital maps that are accessible on a tablet mounted in the vehicle. These maps allow staff to access detailed data about the utility infrastructure such as exact locations of utility poles and lines. The map also shows where staff has traveled in real time so they are not duplicating review of the same utility poles, lines and vegetation. They can also see violations from prior years, including photographs. Violations are collected and recorded using Survey 123, a product from ArcGIS, while in the field. This system captures utility pole numbers, latitude and longitude, addresses, and images taken from cell phones, making the overall process more streamlined, accurate, and data rich.



To further streamline the process, PUC staff would re-audit certain locations to ensure the utilities have trimmed the vegetation noted in the audit report. Now, utilities provide photo evidence that every violation has been resolved.

How we stack up

The NESC trainer, a national expert who visits commissions across the country, tells our staff that when asked what state provides the best example of auditing utilities for vegetation and NESC compliance, he emphatically says, “Oregon!” Our standards far exceed what most states do.

“There’s a reason Oregon is one of the safest states,” said Leon Grumbo, Electric Safety Program Manager. “Many states don’t enforce NESC rules and undertake as rigorous a review of safety standards as we do here.”

Our efforts are supported by key performance measures that are reported to the Governor for public and utility worker safety, for which Oregon tends to have one of the safest records for a state when compared to our peers.

Wildfire safety settings and the impact on Talent residents

From the desk of Heide Caswell

At the Oregon Public Utility Commission (PUC), our top priority is ensuring consumers receive safe and reliable service. As catastrophic wildfire is a now constant risk during the summer months, steps to reduce the risk of an ignition are impacting reliability, creating significant health and safety issues and deeply impact communities. PUC staff is aware of increased outages in Talent, Oregon, and elsewhere and is working closely with Pacific Power to ensure they develop a targeted and effective approach to protect communities from ignitions while minimizing the safety risk inherent in prolonged outages.

Pacific Power, like all investor-owned electric utilities, files an annual Wildfire Mitigation Plan that includes a multi-faceted approach to reducing the risk of ignitions from power lines. Many outages this summer are attributable to one of the mitigating actions in the plan: modifications of protection control devices, such as circuit breaker and recloser settings – sometimes called ‘sensitive settings.’

When vegetation or other objects contact a power line, electric current flows out of the line and into the object, which could ignite. Protection control devices detect this fault and quickly de-energize the line, often in less than a second. The simplest device is a fuse, which then requires a manual replacement by a lineman. More advanced, but still with limitations, are reclosers and circuit breakers. These automatically re-energize a line at a set time after the fault, often in a few seconds. This capability is useful for quickly restoring power

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after transient faults, such as vegetation brushing a line or animal contacts, and has significantly shortened outages for customers in recent decades. Today, when a squirrel makes an unfortunate choice, all that customers experience is a quick blink in their lights at home – though the squirrel doesn’t usually have the opportunity to learn from his decision.

What happens if the wire has been knocked to the ground or a tree is leaning into the wire and the fault is still there? In a high-risk area or during critical fire weather conditions, that fault could lead to a devastating wildfire even in moderate wind conditions, as did the 2021 Dixie Fire in California, which burned 960,000 acres. Sensitive settings involve adjusting or disabling circuit breakers or reclosers in high-risk areas or during critical fire weather conditions to prevent the automatic restoration of power and avoid a potential ignition.



When an electric utility modifies settings as part of wildfire mitigation efforts, the process of re-energizing the line is handled with greater caution and is slower. Here are the steps typically involved:

1. **Manual Inspections:** Before re-energizing the power, utilities typically require a manual inspection of the affected power lines and surrounding areas. Crews will visually inspect the lines for any signs of damage, fallen trees, or other issues that could cause a fire if the power is restored.
2. **Patrols and Aerial Surveillance:** In addition to ground inspections, utilities may use drones, helicopters, or fixed-wing aircraft to patrol the lines, especially in remote or difficult-to-access areas. These aerial surveys help ensure the lines are clear and there are no hazards that could lead to a wildfire upon re-energization.
3. **Incremental Re-energization:** Rather than restoring power to a large area all at once, utilities may re-energize sections of the grid incrementally. This approach allows them to carefully monitor each section for potential issues before moving on to the next.

By taking these precautions, utilities aim to safely restore power while minimizing the risk of their infrastructure contributing to wildfire. Unfortunately, modifications to the recloser settings leads to more frequent and longer outages. The frequency is also increased because the entire circuit is reacting to the fault condition. Patrolling and restoring power also takes longer because a large area needs to be inspected each time. Often the fault was transient, so the patrol crew may not find an obvious issue – though occasionally they do find a potential ignition source still in contact with the line.

The Wildfire Mitigation Plan process focuses on the continuous improvement of mitigation efforts. The more extensive use of sensitive settings this year, after an extremely hot and dry early summer, deeply impacted Talent, Oregon in particular. Staff is analyzing outage data for Talent, results of the line patrols, and Pacific Power’s efforts to minimize impacts to assess the effectiveness of the plans and work with Pacific Power find ways to further reduce impacts in Talent and other communities ahead of the next fire season.

2024 Consumer Champion Award



Congratulations to Michelle Scala, Manager of Regulatory Strategy for the PUC, who was named by the Oregon Citizens’ Utility Board as the 2024 Consumer Champion Award recipient. CUB notes Michelle has, “endeavored to advance the human interest, dismantle harmful frameworks, and elevate the perspectives and experience of communities engaged with the energy system. Michelle strives to support the important role of advocacy organizations in state government and hope that we, as a state, can achieve our goal of a just transition to a clean energy future.”

How the PUC is responding to rates and affordability questions

By Nolan Moser, Acting Executive Director

With a record number of media inquiries and rate cases, we are receiving many questions about rates and the affordability of rising utility rates for customers. Here we wanted to provide some information about how we're answering these questions.

Role of the PUC in rising rates

Every charge on a bill from the utilities the PUC regulates must be reviewed and approved by the PUC. That means that in order for utilities to change their rates, they must undergo the heavy scrutiny of PUC Staff and stakeholders in a rate case. Ultimately, in order for changes to be approved – the Commission must determine that final rates are just and reasonable and costs are prudently incurred.

Process for rates to adjust and why so frequent

Under Oregon law, we cannot prevent a utility from asking for higher rates – and we generally have 10 months to review and investigate such a request. Our job is to determine if the real-world cost conditions have changed enough for utilities that a rate change is justified, or whether they could be doing more to efficiently manage their costs. Through the rate case process, the PUC almost always finds significant savings compared to what the utility proposed. Staff and customer advocates scrutinize the requests in detail. The Commission makes a final decision, balancing the interests of consumers and the utilities. This balancing is essential to ensure utilities have the capacity to attract capital necessary for investment in the system. Likewise, the law requires that the Commission act on behalf of customers.

How Oregon compares to other states

Oregon does not have the most expensive energy costs, but we're also not the cheapest – Oregon has the 19th lowest average residential electric bills of investor-owned utility customers, and the 18th lowest price of electric power per kWh. In recent years, rates have gone up nationally and regionally. Drivers are general inflation, the cost of wholesale gas and power due to economic growth and demand, the need to invest in our aging grid, and costs associated with extreme weather and wildfire mitigation.

Importance of customer input

The PUC works hard to make sure customer comments are part of the record in a general rate case, as it's the customers who are impacted by any approved adjustment in rates. We welcome and encourage customer comments and involvement in our processes and have instituted innovations in recent years to increase access, such as translating public comment hearings and incorporating customer comment into Staff testimony.

Does the PUC always approve what the increase a utility requests?

No, the PUC can approve, deny, or adjust a request to increase rates. PUC staff and stakeholders work on behalf of customer groups to scrutinize any request to adjust rates. Typically, what is approved is lower than the original requested increase by the utility.

Our dedicated rates team is working to center the customer experience in its approach to cases and is coordinating with other parts of the agency to ensure that utilities advance other public policy goals. Additionally, Staff is working hard to expand and publicize the support available to Oregonians who are struggling to pay bills or access services through income qualifying programs, telecommunications support, and new approaches to disconnections. We thank our whole team – working on energy policy, energy rates – as well as supporting consumers in our water, telecom, safety, and consumer divisions for their dedication to our mission and support for Oregon ratepayers.

Our mission is to ensure Oregonians have access to safe, reliable and fairly priced utility services that advance state policy and promote the public interest. We use an inclusive process to evaluate differing viewpoints and visions of the public interest and arrive at balanced, well-reasoned, independent decisions supported by fact and law. [Visit our website for more information.](#)