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Garrett Martin  
Oregon Public Utility Commission  
*Sent via electronic mail to [Garrett.Martin@state.or.us](mailto:Garrett.Martin@state.or.us)*

**Re: Comments on Executive Order 20-04 Work Plans**

Dear Mr. Martin:

The Green Energy Institute at Lewis & Clark Law School (GEI) respectfully submits the following comments on the Public Utility Commission's (PUC) Executive Order 20-04 (EO) draft work plans. GEI is a nonprofit energy and climate law and policy institute within Lewis & Clark's top-ranked environmental, natural resources, and energy law program. Our team of attorneys and law students works to design comprehensive legal and policy strategies to address climate change and support a swift transition to a clean and renewable energy system. We appreciate the opportunity to provide input on the PUC's EO implementation strategies.

In response to the urgency of the climate crisis, Governor Brown's EO 20-04 established ambitious yet crucial directives for state agencies to exercise their existing legal authorities to put Oregon on track to achieve science-based GHG reduction targets. As the regulatory agency with direct oversight over Oregon's investor-owned electric and natural gas utilities, the PUC has jurisdiction over entities responsible for nearly 40% of Oregon's greenhouse gas (GHG) emissions.<sup>1</sup> The PUC is therefore uniquely situated to effectuate the EO's objectives and help Oregon achieve its GHG reduction goals.

We greatly appreciate the PUC's efforts to incorporate the EO's objectives and directives into the agency's current dockets and proceedings, as well as the agency's intent to create new programs and initiatives to reduce GHG emissions from the utility sectors. We also recognize and appreciate the enormous amount of effort and resources the agency has devoted and will continue to devote to implementing EO 20-04. GEI broadly supports the activities and initiatives outlined in the PUC's draft work plans. Our comments respond to the draft work plans for utility planning, transportation electrification, and impacted communities, and provide general recommendations relating to pilot programs and strategies to increase transparency, access to information, and stakeholder engagement in EO implementation activities.

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<sup>1</sup> According to the Oregon Dept. of Environmental Quality's sector-based GHG data for 2017, approximately 26% of Oregon's GHG emissions resulted from electricity generation and approximately 12% of Oregon's emissions resulted from direct natural gas use.

## A. Utility Planning

The integrated resource planning (IRP) process is perhaps the most promising mechanism at the PUC's disposal for advancing decarbonization within the electricity and natural gas sectors. Resource plans identify utility resource mixes and associated emissions profiles used in service to Oregon customers, and the PUC's least cost/least risk IRP framework is a valuable tool for protecting ratepayers from high-risk investments in fossil fuel resources and supporting infrastructure.

We commend the PUC for taking action to refine the existing IRP framework and Guidelines to better address GHG-related risks and uncertainties and better align with Oregon's climate objectives. In addition to the IRP-related activities listed under section 1 of the utility planning work plan, we encourage the PUC to incorporate the considerations and parameters described in this section into its existing resource planning frameworks.

**Evaluate a range of emissions reduction targets and trajectories:** There are currently many variables and uncertainties surrounding the speed and degree to which entities and sectors will ultimately need to reduce GHG emissions. For example, Oregon's GHG reduction targets may become more stringent in response to climate-related impacts and/or emerging scientific projections. Additionally, it will likely be easier to decarbonize some sectors more quickly and economically than other sectors, which means that the GHG reduction targets for electric and gas utilities may be more stringent than the targets for other sectors. In addition to evaluating costs and risks associated with meeting the EO's emissions targets of at least 45% below 1990 levels by 2035 and 80% below 1990 levels by 2050, the PUC should require utilities to evaluate costs and risks under more stringent emissions reduction targets. For example, the PUC should require IRPs to consider scenarios in which the utilities are required to reach net-zero emissions by 2040 and 2050. The PUC should also require IRPs to evaluate scenarios in which electric or natural gas sectors are subject to front-loaded emissions reduction trajectories that require greater reductions in emissions over the near-term than in later years.

**Consider the best available science:** In addition to evaluating a range of emissions reduction targets and trajectories, the PUC should create an IRP guideline directing utilities to evaluate emissions reductions targets based on the best available science. Utility IRPs should analyze the impacts of potential new mandates based on the best available scientific consensus regarding necessary GHG reductions and timelines.

**Evaluate more stringent renewable targets:** The PUC should require utilities to evaluate the costs and risks associated with more stringent renewable energy and gas targets that track those in place in neighboring jurisdictions. For example, California's renewable portfolio standard (RPS) requires renewable resources to provide 60% of the state's retail electricity by 2030 and 100% by 2045.<sup>2</sup> In 2019, Washington adopted its Clean Energy Transformation Act, which calls for the state's electric utilities to be carbon-neutral by 2030 and self-generate 100% clean energy by 2045.<sup>3</sup> The Oregon legislature may eventually decide to follow neighboring states' leads and adopt comparable clean

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<sup>2</sup> Cal. Pub. Util. Comm'n, *Renewables Portfolio Standard (RPS) Program*, <https://www.cpuc.ca.gov/rps/>.

<sup>3</sup> Gov. Jay Inslee, *Policy Brief: Washington Enacts Strongest Clean Electricity Standard in the Nation*, <https://www.governor.wa.gov/sites/default/files/documents/clean-electricity-policy-brief-bill-signing.pdf>.

energy standards. The PUC should therefore direct Oregon’s electric utilities to evaluate the costs and impacts of complying with these more stringent clean energy targets.

**Consider impacts of reduced regional demand for natural gas:** Local governments in California and Washington have taken steps to reduce the direct use of natural gas and move towards all-electric buildings. Due to the regional nature of natural gas pipelines and wholesale markets, demand reductions in California and Washington could create price volatility that affects Oregon’s gas utilities and electric utilities that operate natural gas-fired power plants. The PUC should therefore direct both electric and gas utilities to evaluate the potential cost impacts that could result from declines in regional natural gas consumption.

## **B. Transportation Electrification**

While the draft work plans introduce a variety of initiatives that have the potential to reduce the carbon intensity of Oregon’s energy mix, we urge the PUC to deter utilities from creating any new fossil fuel path dependencies moving forward. It is important to avoid stranding customers with costs from a system that will become obsolete and to discourage investment in fuel sources at odds with the EO’s directives.<sup>6</sup> We therefore encourage the PUC to amend the draft transportation electrification work plan’s proposal that utilities transition their company vehicles to either *natural gas* or electric vehicles by 2035.<sup>7</sup> Vehicle electrification is an essential decarbonization strategy, and transitioning from petroleum-fueled vehicles to natural gas-fueled vehicles would serve to slow this transition and slow the pace of GHG emissions reductions from the transportation sector. To avoid creating additional dependency on fossil fuel and prevent the agency from undermining its own EO implementation efforts, we urge the PUC to direct utilities to develop strategies to electrify their fleets, and not to transition their fleets to natural gas-fueled vehicles.

## **C. Impacted Communities**

We applaud the PUC’s planned efforts to increase the accessibility of its proceedings and decisions to ensure that impacted communities participate in and benefit from the agency’s GHG reduction efforts. The PUC’s ongoing commitment to engage with community members and address community concerns is crucial to addressing historical inequities and confronting future challenges. We support the PUC’s efforts to establish a Diversity, Equity, and Inclusion (DEI) program director, develop an agency DEI Operations Plan, and expand the low-income roundtable. Our comments in this arena relate to two activities listed in the impacted communities work plan: service disconnections and quantifying energy burden.

**Service Disconnections:** We recognize the value of the PUC’s proposal to expand utility reporting of service disconnects, as well as its proposal to revisit existing rules regarding bill payments and disconnection requirements. In effectuating both of these proposals, we urge the PUC to apply the lessons learned during the COVID-19 pandemic to ensure vulnerable customers continue to receive

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<sup>6</sup> Naureen Malik, et. al., *Peak Gas is Coming to the U.S. Sooner Than Anyone Expected*, BLOOMBERG GREEN (Oct. 22, 2020), [https://www.bloomberg.com/graphics/2020-natural-gas-demand-peak/?srnd=green&utm\\_source=Sightline%20Institute&utm\\_medium=web-email&utm\\_campaign=Sightline%20News%20Selections](https://www.bloomberg.com/graphics/2020-natural-gas-demand-peak/?srnd=green&utm_source=Sightline%20Institute&utm_medium=web-email&utm_campaign=Sightline%20News%20Selections).

<sup>7</sup> Oregon Pub. Util. Comm’n, Executive Order 20-04 Work Plans at 18 (2020).

essential services.<sup>8</sup> The PUC’s recent efforts to engage with stakeholders, understand the impacts of the pandemic on customers, and forge solutions were herculean. Indeed, the process undertaken by the PUC to reach solutions—compromises that may need to be revisited if the effects of the virus and related economic suffering linger—provides valuable insights for improving the existing system and addressing future challenges. COVID-19 has provided the PUC and the utilities with an opportunity to create a regulatory system that is more equitable and accessible by forcing all stakeholders to consider the ways in which the existing system fails the most vulnerable. We strongly urge the PUC to evaluate the protections put in place during this challenging time and the resulting outcomes of these efforts, and apply these findings to any future rule revisions.

**Quantifying Energy Burdens:** We also support the PUC’s decision to gain a better understanding of the energy burdens borne by impacted communities. However, we have some concerns about the means by which the PUC intends to gather data to inform this analysis. The draft work plan on impacted communities outlines the Commission’s objective to quantify energy burden primarily through stakeholder workshops. While it is unquestionably necessary to solicit and incorporate stakeholder input into this assessment, stakeholder workshops alone may be insufficient to fully identify the scope of this burden. For example, as the PUC recently experienced in its evaluation of the customer impacts of COVID-19, despite excellent turnout at stakeholder workshops, the participants themselves recognized that they represented a relatively narrow and uniform range of perspectives.<sup>9</sup> To ensure that this process adequately quantifies the energy burdens faced by Oregon’s utility customers, it may be worthwhile to commission an independent contractor to collect additional data and information. Such an approach would complement the stakeholder-driven process by securing reliable, fact-based information that represents broad viewpoints and experiences.

#### **D. Pilot Programs**

We recognize the value of using pilot program to determine which strategies are most effective at achieving desired outcomes. However, given the number of pilots contemplated by the draft work plans,<sup>11</sup> we encourage the PUC to establish and implement protocols to maximize the benefits of these temporary programs. Specifically, we urge the agency to establish mechanisms to track and measure the outcomes of any EO-related pilot programs and create a pathway for successful pilot programs to transition from temporary to permanent status. All pilot programs should have clear criteria for monitoring the programs’ impacts and effects and processes for soliciting and incorporating input from program beneficiaries, members of impacted communities, and other stakeholders. And perhaps most importantly, pilots should be designed with clear pathways for transitioning to permanent programs. Pilot programs provide great opportunities to test drive new

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<sup>8</sup> OR. PUB. UTIL. COMM’N, COVID-19 AFTERMATH: ACTIONS TO PROTECT CUSTOMERS (2020), <https://www.oregon.gov/puc/utilities/Documents/COVID-19-Final-Report.pdf>.

<sup>9</sup> Special Public Meeting COVID-19 Commission Workshop Video (September 8, 2020), [https://oregonpuc.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=633](https://oregonpuc.granicus.com/MediaPlayer.php?view_id=2&clip_id=633).

<sup>11</sup> Some examples of proposed pilot programs to create or explore include “pilots to develop supply chains for low-carbon resources and to decrease carbon risks and future costs” (Draft Work Plans at 5); “utility pilots to quantify and assess estimated GHG emissions impact at scale” (Draft Work Plans at 13); “pilots that can reduce energy burden for low-income communities and vulnerable populations” (Draft Work Plans at 14); “a targeted pilot for ductless heat pump technology (Draft Work Plans at 14); and “utility pilots and tailored programs to deploy advanced technology in low-income settings to provide bill savings and non-energy benefits” (Draft Work Plans at 22).

policies and determine whether various strategies are capable of achieving desired outcomes. However, there is little value in implementing temporary pilots that cannot be converted into permanent programs over the long-term.

### **E. Transparency, Information Access, and Stakeholder Engagement**

The draft work plans list many activities that are already underway at the PUC, including many actions that the PUC aims to complete within the next month.<sup>12</sup> The draft work plans also reference stakeholder engagement opportunities in 2020.<sup>13</sup> However, little information about these ongoing activities and opportunities for stakeholder engagement is available on the PUC’s website, and none of the stakeholder convenings referenced in the work plans are listed on the PUC’s events calendar. To increase transparency of the PUC’s EO-implementation activities and solicit broad stakeholder engagement in EO initiatives, we encourage the PUC to create and regularly update a webpage devoted to ongoing and forthcoming proceedings and initiatives related to EO implementation, and that includes live links to relevant documents or dockets. We also encourage the PUC to provide a mechanism for stakeholders to sign up for updates of the agency’s EO-related activities. Finally, we urge the PUC to provide stakeholders with sufficient notice of upcoming stakeholder events and opportunities for engagement.

### **Conclusion**

It will take a concerted, coordinated, and continuing effort to meaningfully and equitably reduce GHG emissions from Oregon’s energy sector. While the PUC is one of many agencies working to implement the EO’s directives, the agency has an outsized role to play in advancing effective climate action in the state. The draft work plans present a wide variety of promising strategies for addressing emissions through the state’s utility regulatory frameworks. GEI strongly supports the PUC’s efforts to help decarbonize Oregon’s electricity and natural gas sectors, and we encourage the agency to exercise any and all authority granted by law to further a just and equitable energy transition in Oregon.

We appreciate your consideration of our comments.

Sincerely,

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<sup>12</sup> Examples of in-progress actions for utility planning that are scheduled to end in 2020 include developing an approach for IRP Guideline updates for GHG costs and risks (activity 1.1.1, scheduled for Oct.–Nov. 2020), developing an approach for incorporating the social cost of carbon into IRPs (activity 1.2.1, Oct.–Nov. 2020), and developing an approach for GHG reduction benefits in procurement (activity 4.1, Oct.–Dec. 2020),

<sup>13</sup> Examples of utility planning stakeholder engagement opportunities include those relating to IRP Guideline updates (activity 1.1.2, Oct.–Dec. 2020) and incorporating the social cost of carbon into IRPs (activity 1.2.2, Oct.–Dec. 2020).