



October 30, 2020

**Re: Draft work plans in response to Governor Brown's Executive Order 20-04**

The Northwest & Intermountain Power Producers Coalition (NIPPC)<sup>1</sup> appreciates the opportunity to submit comments on the Commission's draft work plans to manage agency actions and activities in response to Governor Brown's Executive Order 20-04 on Climate Action.

NIPPC previously provided recommendations on May 8 and June 15 on actions that the Commission could take in responding to the executive order. NIPPC's prior recommendations related to:

- 1) engaging more deeply with the Northwest Power Pool's Resource Adequacy initiative;
- 2) facilitating the ease of initiating and completing state-jurisdictional interconnections and other matters under the Public Utility Regulatory Policies Act (PURPA);
- 3) reconsidering the 1992 Oregon Department of Justice memorandum with respect to "Commission Authority to Consider External Environmental Costs";
- 4) removing the perverse incentive in Oregon for electric utilities to build and own generation resources;
- 5) expanding customers' options to accelerate decarbonization through the Direct Access program; and
- 6) revising the Commission's mission statement with an explicit focus on environmental outcomes, including carbon reductions.

NIPPC still believes the Commission should take actions in these areas, some of which overlap with the draft work plans. NIPPC limits its remaining comments here to the Commission's draft work plans.

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<sup>1</sup> NIPPC represents competitive power participants in the Pacific Northwest. NIPPC members include owners, operators, and developers of independent power generation and storage, power marketers, and affiliated companies. Collectively, NIPPC represents over 4,500 megawatts of operating generation and an equal amount permitted or under development.

First, NIPPC appreciates that the Commission is moving forward with a detailed timeline and relatively ambitious proposal to modify utility planning and other Commission activities related to greenhouse gas (GHG) reductions.

In particular, NIPPC highlights several potential actions that could meaningfully accelerate decarbonization in Oregon by promoting new generation and relying on competitive mechanisms. NIPPC believes that the Commission has the necessary authority under existing statutes to undertake these actions.

### Part 1 – Utility Planning:

**1.1.1:** NIPPC is encouraged by the proposal for the Commission to adopt new guidance in the first quarter of 2021 (see Table 1, p. 4) with respect to utility integrated resource plans (IRPs) and GHG emissions analysis.

**1.1.2:** More deeply incorporating the social cost of carbon (SCC) into IRPs (p. 6) beyond the current use of a sensitivity analysis would be a positive step that will strengthen planning and, ultimately, procurement decisions. NIPPC agrees that a range of assumptions and analyses should be included.

**1.2:** Similarly, identifying possible carbon pricing approaches (p. 6), including regional market mechanisms, would be a positive step toward preparing for possible market-based approaches to internalize a price on carbon across a wide area.

**1.3:** NIPPC supports consistent approaches to decarbonization across the resource mix that serves Oregon consumers. In that respect, NIPPC supports the Commission developing a consistent approach to “identify, isolate, and highlight the SCC in applicable [avoided cost] filings” (p. 7). NIPPC encourages the Commission to follow through with applying this approach to avoided cost updates applicable to qualifying facilities under PURPA.

**1.4:** In the absence of a price on carbon that has been fully internalized by the wholesale market, NIPPC supports exploring new non-price scoring criteria and shortlist analyses to incorporate GHG reduction benefits in competitive procurements.

### Part 3 – Transportation Electrification:

In general, NIPPC supports the Commission more aggressively planning for and fostering transportation electrification. As the Commission knows, the relatively clean power sector in the Pacific Northwest (relative to other regions of the country) means that Oregon has relatively more opportunities to reduce GHG emissions from transportation and other sectors. The appropriate role of regulated utilities in fostering this transformation deserves greater discussion, but given the utilities’ existing distribution assets, they undoubtedly have an important role in the transformation.

NIPPC notes that to the extent that electrification leads to load growth, the Commission's competitive procurement procedures and retail choice programs become even more important.

In conclusion, NIPPC looks forward to participating in proceedings to implement the Commission's final work plans with respect to E.O. 20-04. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Gray', with a stylized flourish at the end.

Spencer Gray  
Executive Director  
Northwest & Intermountain  
Power Producers Coalition