Oregon Solar Energy Industries Association

Oregon Public Utility Commission
201 High Street SE, Suite 100
Salem, OR 97301-3398

October 28, 2020

Dear Chair Decker, Commissioner Tawney and Commissioner Thompson,

Oregon Solar Energy Industries Association (OSEIA) submits these comments regarding the Public Utility Commission's (PUC) October 6th Climate Executive Order Work Plans. OSEIA looks forward to working with the commission to maximize its existing authority in order to address the urgent moral obligation of the state to achieve the state's greenhouse gas reduction goals in a way that prioritizes frontline communities.

While we appreciate a specific Impacted Communities workplan and the efforts to make stakeholder processes more inclusive, equity needs to be at the center of all actions in every workplan. Impacted communities are hardest hit from climate change's impacts and so all work plan activity – from IRPs to forecasting to upgrading grid equipment – should have equity at the center of the work. All PUC staff – not just the new DEI Program Director – should be asking how every issue affects impacted communities and could provide either co-benefits or harmful impacts.

OSEIA has the following specific comments on the individual workplans:

Utility Planning

OSEIA strongly supports the inclusion of a social cost of carbon (SCC) in IRPs, Distribution System Planning non-wires alternatives portfolio considerations and avoided cost proceedings, in addition to updating the IRP guidelines. OSEIA encourages extensive stakeholder engagement in the creation of the SCC methodology, as there are many different ways a SCC value can be determined.

OSEIA encourages the Commission to incorporate the social cost of carbon into PURPA avoided cost updates as early as possible. While prioritizing energy efficiency is extremely important, QF development has a longer lead time. Thus, in order to reduce GHG emissions as quickly as possible, the PUC should focus on providing an accurate market incentive for these smaller projects. The PUC should prioritize fully capturing the damages of climate change in a way that accurately represents Oregon's need for QF development. Because Oregon's PURPA implementation already provides for the efficient use of land and resources, OSEIA encourages the PUC to recognize that PURPA is essential for small project development.

We appreciate the inclusion of an analysis of the distribution grid as a decarbonization resource in terms of GHG emission reductions through fossil fuel generation displacement and as flexible load for renewables integration. Much can be done here to ensure increased clean energy.

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While developing a portfolio sensitivity for a high level of near-term, beneficial electrification and electric vehicle (EV) adoption, there should be a focus on new EV load being met by clean energy. Equity should also be at the center of EV planning.

OSEIA supports exploring incorporating GHG reduction benefits as a non-price scoring factor in RFP scoring criteria, and short-list analyses.

OSEIA was disappointed to see a lack of consideration of storage and the complimentary values of paired renewable resources as ways to maximize renewable generation and lower reliance on fossil fuels. In particular, there are significant benefits to the application of distributed solar and storage, which not only reduces the reliance on fossil fuels and GHG emissions, but also creates a smoother energy demand throughout the day, lowering the strain placed on the grid. The Utility Planning work plan needs to revisit how storage should be incorporated in planning in order to further reduce GHG emissions.

OSEIA recommends that the PUC consider requiring that DSP and IRP processes reflect a goal for localized generation to occur within community isolation islands as will be described and published by the office of Homeland Security later this year. This map, inclusive of all communities in the state of Oregon, will identify locations of anticipated transportation network failures and the population of Oregonians residing on these "islands" after catastrophic transportation failure. By ensuring that sufficient renewable generation and storage is available to meet the electric vehicle needs of each island within said island, the PUC could make meaningful progress toward our GHG reduction goals, climate change adaptation for communities hit first and hardest, and increasing our state wide levels of resilience.

OSEIA is encouraged to see a Clean Peak Standard considered. We strongly encourage the PUC to have utilities include a Clean Peak Standard in their IRPs. In addition, with the Executive Order's focus on transportation electrification, there is an opportunity to incentivize co-location of solar generation with charging infrastructure in order to sync charging with generation profiles to reach a clean peak.

It was disappointing to note that the current Resource Adequacy process was not included in the planning workplan. The current process is heavily centered around utilities and does not consider all inherent values when it comes to increasing renewables and storage. Stakeholder involvement in such an important process has been extremely limited and the assumption that the plan will recommend more natural gas in Oregon's power mix is very concerning. While the recent decision for the PUC to host a stakeholder process, the Commission should also direct the utilities to engage in a stakeholder process to study their current and future resource adequacy needs, quantify the costs for resource adequacy, and develop a plan for maintaining resource adequacy under current projections, as well as in alternative increased GHG-reduction and RPS-increase scenarios. There is an acute need to center GHG reduction and protection of vulnerable communities in the resource adequacy process and we encourage the PUC to bring this view to the process.

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It was disappointing that transmission planning was not mentioned in the workplan. In order to increase renewables on the grid, Oregon will need increased transmission; without this, our system is flawed. The Commission should direct the utilities to engage stakeholders in a process to quantify both current and future transmission needs to meet both the current RPS and possible increased GHG-reduction and RPS-increase scenarios. The Commission should also request that Bonneville Power Administration engage in a similar effort to plan and study transmission needs. OPUC can look to Washington's Clean Energy Transformation Act for methods to include transmission planning in IRPs and other planning processes.

Utility Services and Activities

OSEIA is encouraged to see the workplan include work to appropriately value the contributions and co-benefits of renewable energy. This is especially important to ensure that low-income and historically underserved communities have access to the full range of benefits that renewable energy provides. By more accurately reflecting the value of solar in reducing GHG emissions, the social cost of carbon can strengthen the market's ability to adapt to Oregon's future resource needs. In order to adequately account for climate change impacts on vulnerable communities, the economy, and the environment, OSEIA encourages the Commission to adopt the broadest valuation for renewables. Similar to the methodology utilized by Maine[1] and currently tested by California,[2] the valuation of solar should also include a societal discount rate. By capturing the future environmental benefits of solar deployment, this methodology will reduce the risk of undervaluing a vital resource, thereby strengthening the PUC's ability to plan for a more reliable and equitable energy system.

OSEIA applauds the inclusion of a community green tariff program, which should encourage adoption of solar at all levels, including community solar, residential and commercial installations of behind the meter solar. OSEIA encourages a flexible definition of "community" so that the program can be taken advantage of by self-selecting communities, for example neighborhoods, entire towns, or school districts. In addition, green tariff programs should enable communities to purchase renewable power from outside their utility service territory, to acknowledge that Oregon's solar resource locations do not align with areas of highest load.

We are encouraged to see the prioritization of interconnection, both the existing UM 2111 docket and the discussion of an interconnection roadmap. This roadmap should include actual color-coded maps like some California utilities have that show current load and strain on the grid. Increased transparency and certainty are critical when improving interconnection in order to accommodate non-IOU investments in achieving our state wide GHG goals.

[1] MAINE PUC, MAINE DISTRIBUTED SOLAR VALUATION STUDY 75 https://www.maine.gov/mpuc/electricity/elect_generation/documents/MainePUCVOS-FullRevisedReport_4_15_15.pdf.
[2] California PUC, Decision Adopting Cost-effectiveness Analysis Framework Policies for All Distributed Energy Resources, Rulemaking 14-10-003, Decision 19-05-019, at 3 (May 21, 2019) https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M293/K833/293833387.PDF.

The inclusion of co-benefits is strongly supported. OSEIA is disappointed to note that renewables were not specifically mentioned in the third focus area for year one. All three of the objectives should also include co-benefits from renewables, including Community Solar and the Public Purpose Charge programs.

We appreciate the inclusion of measuring GHG reduction impacts from renewable programs.

OSEIA requests that the 12-month report on the Community Solar Program include the benefits of expanding the program to increase benefits for impacted communities. Releasing additional capacity for community solar would give more certainty for these projects to be developed and built quicker. The report should also examine the current rate structure and if a rate escalator would be beneficial to the program.

Distribution System Planning (DSP) guidelines should include equity at the center and co-benefits from solar and storage.

OSEIA applauds the inclusion of work to accelerate the beneficial growth of DERs but ask for clarity regarding what "Pilots to Programs" means and includes. We appreciate the focus on interconnection in this section.

We also support the inclusion of raising awareness for ways to reduce energy burden and request that solar and storage specifically be included in these efforts.

While we applaud the general inclusion of pilots and dedicated activities to provide bill savings and non-energy benefits, solar and storage should be included in resiliency pilots for low-income customers and in conversations with Oregon Housing and Community Services.

We look forward to participating in focus area three in year two, but would like more clarity on what pilots and programs are being discussed and we encourage the inclusion of renewables and storage programs and pilots in this focus area.

OSEIA is disappointed that PURPA is largely missing from the work plans. PURPA has been a successful way to accelerate GHG reduction in the electricity sector. OSEIA requests that the PUC accelerate action on existing PURPA dockets and look for ways to accelerate projects. In particular, the workplan should expedite the PURPA docket, UM 2000, and examine the following issues at a minimum:

a. Policy Improvements for PURPA.
b. Removing Network Resources requirement for QF contracts.
c. Allowing rate-basing of PPAs from QFs.
d. Contracting Terms:
    - Increasing to 25 or 30 year fixed-price PPA terms.
    - Fixing LEO: LEO should be established when a QF submits a signed contract.
    - Examining avoided cost pricing that is lower than most bids submitted.
    - Allowing hourly firm and conditional firm transmission.

e. Investigation into IOUs evading PURPA obligations.

Transportation Electrification

We appreciate the focus on tariffs that link EV charging to decarbonization and encourage including efforts to ensure new TE load is served by renewables. We also request that the grid integration work have a focus on TE load being served by renewables.

OSEIA strongly supports considering line extension allowances for transportation electrification that scale the multiplier with greater grid integration capabilities (e.g., including storage), utility control of dispatch, and/or in locations with feeders or substations impacted by high levels of DER penetration.

Impacted Communities

As mentioned above, while we appreciate a specific Impacted Communities workplan and the efforts to make stakeholder processes more inclusive, equity needs to be at the center of all actions in every workplan. All PUC staff – not just the new DEI Program Director – should be asking how every issue affects impacted communities and could provide either co-benefits or harmful impacts.

While we applaud the general inclusion of pilots and dedicated activities to provide bill savings and non-energy benefits, solar and storage should be included in resiliency pilots for low-income customers and in conversations with Oregon Housing and Community Services. The benefits of solar + storage can provide important benefits for low-income households in particular, avoiding wasted money on spoiled food and providing electricity for medical equipment when the power goes out.

Lastly, clean energy has great potential to provide local, living wage jobs, and the workplans should focus on ways to promote in-state renewable projects, to maximize the economic benefits for impacted communities. OSEIA is starting programs to expand Oregon's solar workforce to impacted communities; the PUC has a role to play to ensure that clean energy jobs are created in Oregon by reducing barriers for in-state solar projects.

Wildfire Prevention and Mitigation

The PUC's wildfire mitigation plan needs to take into account the value of DER systems and other technology that facilitates GHG reduction. Utilities should not simply replace the infrastructure damaged by wildfires, but should upgrade equipment where possible in order to increase the compatibility for GHG reducing technology. As Commissioner Tawney said in a recent Public meeting, the utilities should "build back better."

Second, the PUC needs to do more to prepare the system for public safety power shutoffs in light of the increasing frequency and severity of wildfires. PSPS events place a significant burden on emergency services and medical care as well as vulnerable households. Not only should the PUC encourage the use of microgrids for essential demand like hospitals, shelters, and community centers,

but the PUC should require utilities to examine microgrids in their planning and incentivize the use of residential and commercial storage.

Lastly, expanding the transmission system will also have the benefits of increasing resiliency in the face of increased wildfires. Additional transmission will build redundancy so that when there are outages to the transmission and distribution system due to wildfire, generation can still get to load. The workplans should include direction to utilities to study the impacts to communities of preventative shutoffs due to wildfire risk and wildfire-caused blackouts. Knowing these impacts can help put in perspective the costs of preventative measures that utilities could be putting in place such as redundant transmission lines.

Thank you for your consideration, we look forward to working closely with you as you work to implement the Governor's Executive Order.

Sincerely,

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Executive Director

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