

October 28, 2020

VIA ELECTRONIC MAIL

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398
Attn: Garrett Martin garrett.martin@puc.state.or.us

Re: PacifiCorp Comments on Draft Work Plans to Address Governor Brown's Executive Order 20-04

Governor Brown issued Executive Order 20-04 Directing State Agencies to Take Actions to Reduce and Regulate Greenhouse Gas Emissions (Executive Order) on March 10, 2020. The Executive Order provides direction to the Public Utility Commission of Oregon (Commission) on actions that should be taken primarily with respect to decarbonization, transportation electrification, impacted communities, and wildfire mitigation planning. The draft work plans issued by the Commission on October 6, 2020 (Draft Work Plans) represent the next step towards addressing the actions set forth in the Executive Order and provide the Commission's detailed scope of work planned in response to the Governor's directives. The Commission invited feedback on the Draft Work Plans by October 28, 2020 and PacifiCorp, d/b/a Pacific Power (PacifiCorp or Company) respectfully submits these comments in response.

PacifiCorp appreciates the Commission's thoughtfulness in developing five comprehensive Draft Work Plans that address the directives in the Executive Order as well as the Commission's willingness to work with stakeholders to refine the Draft Work Plans. The work streams are well defined and provide a good overview of the goals, objectives, and tasks planned over a multi-year timeframe. The Draft Work Plans also appropriately recognize that many of the planned activities are or will be addressed in pending cases under existing schedules. PacifiCorp's June 15, 2020, comments recommended this approach to the extent possible given the full slate of rate cases, dockets, and other proceedings underway, and considering many of these issues are already teed up within these proceedings.

Greenhouse Gas (GHG) Reduction Activities: Part 1 – Utility Planning

The GHG Reduction Activities Part 1 focuses on Utility Planning to address the following directives in the Executive Order.

Section 5.A – It is in the interest of utility customers and the public generally for the utility sector to take actions that result in rapid reductions of GHG emissions, at reasonable costs, to levels consistent with the emission reduction goals set forth in paragraph 2 of this Executive Order, including transitioning to clean energy resources and expanding low carbon transportation choice of Oregonians.

Section 5.B(1) – Determine whether utility portfolios and customer programs reduce risks and costs to utility customers by making rapid progress towards reducing GHG emissions consistent with Oregon’s reduction goals.

Section 5.B(3) – Prioritize proceedings and activities, to the extent consistent with other legal requirements, that advance decarbonization in the utility sector, and exercise its broad statutory authority to reduce GHG emissions, mitigate energy burden experienced by utility customers, and ensure system reliability and resource adequacy.

PacifiCorp Comments:

The Draft Work Plan for addressing GHG reduction activities related to utility planning focuses on consideration of GHG impacts in the utilities’ integrated resource plans (IRPs), incorporation of the social cost of carbon in avoided cost calculations, and incorporation of GHG reductions as a scoring factor in the procurement process.

PacifiCorp supports increasing the IRP’s capability to model GHG emissions and developing a robust and accepted way of measuring Oregon-specific emissions. PacifiCorp continues to support modeling capabilities that contribute incremental value to the goal of reducing GHG emissions. To that end, PacifiCorp recommends a first step of establishing each utility’s emissions trajectory.

PacifiCorp also recommends that when considering the approach to incorporate GHG reduction benefits as a non-price scoring factor in the Request for Proposal scoring criteria and short-list analysis, there should be more definition around how this will be done and the approach needs to ensure that the scoring is objective.

GHG Reduction Activities: Part 2 – Utility Service and Activities

The GHG Reduction Activities Part 2 focuses on Utility Service and Activities to address the following directives in the Executive Order.

Section 3.C (1) – Prioritize actions that reduce GHG emissions in a cost-effective manner.

Section 5.B(3) – Prioritize proceedings and activities, to the extent consistent with other legal requirements, that advance decarbonization in the utility sector, and exercise its broad statutory authority to reduce GHG emissions, mitigate energy burden experienced by utility customers, and ensure system reliability and resource adequacy;

PacifiCorp Comments:

Part 2 of the GHG reduction activities for utility services and activities focuses on establishment of community-wide green tariffs, streamlining interconnections of clean resources, quantifying and assessing estimated GHG emissions at scale, and measuring GHG reduction impacts of customer programs and products.

The Company is appreciative of the Commission’s facilitation of a regulatory process to address this important body of work for our customers. PacifiCorp looks forward to more details around the content of the upcoming fourth quarter workshop. The Company is also supportive of the Portfolio Options Committee (POC) as an appropriate venue to engage a broader array of stakeholders as community-wide customer preference programs are developed, and looks forward to more clarity on how the Commission envisions the role of the POC.

GHG Reduction Activities: Part 3 – Transportation Electrification

The GHG Reduction Activities Part 3 focuses on Transportation Electrification to address the following directive in the Executive Order.

Section 5.B (2) – Encourage electric companies to support transportation electrification infrastructure that: supports GHG reductions, helps achieve the transportation electrification goals set forth in Senate Bill 1044 (2019), and is reasonably expected to result in long-term benefit to customers.

PacifiCorp Comments:

The Commission’s goals and objectives outlined for the transportation electrification Draft Work Plan include collaboration on new rate schedules and tariffs to encourage transportation electrification, exploring approaches to assess cost-effectiveness of activities, and initiating a robust data collection process into market transformation indicators to be tracked and shared annually.

PacifiCorp is committed to accelerating the adoption of electric transportation options and supports the goals and objectives outlined in the Draft Work Plan. The Company is making significant strides in developing approaches and relationships that build trust in geographically, economically, and culturally diverse communities, particularly in rural parts of Oregon. PacifiCorp recommends adding guidance on prioritizing the investments made and development of a process for evaluating the economics of the costs and benefits of the programs and how these differ from other investment decisions, while retaining a reasonable degree of flexibility to best design approaches across our diverse communities. Additionally, when developing the data collection requirements, it will be critical to balance the data collection effort with technical ability, cost and administrative burden. Finally, the Company recommends incorporating any Transportation Electrification requirements as part of the utility’s Transportation Electrification Plan.

Impacted Communities

The Impacted Communities Draft Work Plan addresses the following directives in the Executive Order.

Section 3.C (3) – Consult with the Environmental Justice Task Force when evaluating climate change mitigation and adaptation priorities and actions.

Section 3.E – Participate in the Interagency Workgroup on Climate Change Impacts to Impacted Communities

Section 5.B(3) – Prioritize proceedings and activities, to the extent consistent with other legal requirements, that advance decarbonization in the utility sector, and exercise its broad statutory authority to reduce GHG emissions, mitigate energy burden experienced by utility customers, and ensure system reliability and resource adequacy.

Section 5.B (6) – In cooperation with Oregon Housing and Community Services, establish a public process to address and mitigate differential energy burdens and other inequities of affordability and environmental justice, including rate design and other programs to mitigate energy burden.

PacifiCorp Comments:

The Draft Work Plan outlines a variety of efforts to address the disproportionate effect of climate change on impacted communities and those traditionally underrepresented in public processes. These activities include updates to the cost effectiveness exception policy, examination of rate design options to benefit low income customers, examination of rules for utility service connection, and bill payment arrangements.

The areas of focus are appropriate and thoughtful and PacifiCorp looks forward to working with the Commission as it pursues these efforts. The Draft Work Plan calls for the Commission to lead collaborative efforts with the Energy Trust of Oregon to ensure their programs and utility programs that are overseen by the Commission represent and benefit low-income customers and vulnerable populations. PacifiCorp recommends that the Commission include the utilities in these collaborative efforts with the Energy Trust of Oregon to ensure alignment with utility programs that benefit low income electric and natural gas customers and vulnerable populations. PacifiCorp encourages the Commission to examine the many ways in which utilities engage their communities based on local permitting, energy planning, and programmatic requirements and assist with the adoption of best practices to help avoid overlap or inefficiency.

Wildfire Prevention and Mitigation

The Wildfire Prevention and Mitigation Draft Work Plan is designed to address the following directives in the Executive Order.

Section 4.B(4) – Evaluate electric companies’ risk-based wildfire protection plans and planned activities to protect public safety, reduce risks to utility customers, and promote energy system resilience in the face of increased wildfire frequency and severity, and in consideration of the recommendations made by the Governor’s Council on Wildfire Response 2019 Report and Recommendations.

Section 4.B(5) – Convene periodic workshops for purposes of assisting electric companies, consumer-owned utilities, and operators of electrical distribution systems to develop and share best practices for mitigating wildfire risk.

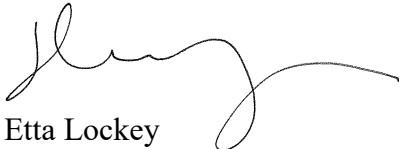
PacifiCorp Comments:

To address these directives, the Draft Work Plan outlines two separate activities. First, the Commission has opened a rulemaking (AR 638) that will develop the rules that require the utilities to develop and implement wildfire mitigation plans. Additionally, the Commission will continue the efforts of the Oregon Wildfire and Electric Collaborative (OWEC) that will hold regular workshops and help share best practices for mitigating wildfire risk across the state.

PacifiCorp supports the priorities identified in the Draft Work Plan and looks forward to continuing its support of the OWEC. In order to protect public safety and reduce the risks to utility customers, it will be essential to also address the statewide fire risk rather than just focusing on an individual utility view. This will require the involvement of public safety partners across the state and neighboring utilities with adjoining service territory. PacifiCorp encourages the Commission to include the engagement of these partners to support these important efforts.

PacifiCorp appreciates the opportunity to comment on the Commission’s Draft Work Plans to address the Executive Order and looks forward to working with the Commission as they move forward with these efforts. Please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Etta Lockey', with a long, sweeping horizontal flourish extending to the right.

Etta Lockey
Vice President, Regulation