

EO 20-04 Stakeholder Listening Sessions

INTRODUCTION

The PUC conducted listening sessions with several key stakeholders between April 23 and May 1 to understand expectations for implementing the Executive Order and to inform our May 15 report to the Governor in which we were asked to report on proposed actions within our statutory authority to reduce GHG emission and mitigate climate impacts.

The dozens of stakeholders that participated in the listening sessions included a diverse group that broadly represented renewable energy and climate interests, environmental justice community interests, low-income and vulnerable community interests, electric and gas utilities, renewable resources, wildfire mitigation and ETO.

Although this report is only an initial step in the implementation of EO 20-04, the PUC felt it was important to listen to and gather our stakeholders' initial thoughts on those parts of the EO directly related to the PUC. The following is a summary of the comments shared during those listening sessions. The summary is arranged by the general themes that emerged, and is intended to capture, at a high level, the thoughts shared by our stakeholders.

A number of stakeholders submitted written letters following these sessions—many of which presented specific and more detailed comments beyond those previously shared. Due to the short deadline for submitting this report, we did not have the time to summary or fully capture these written comments in our response, but will continue to review and consider them in further activities to implement EO 20-04.

SUMMARY OF COMMENTS ORGANIZED BY TOPIC

DOCKETS – CURRENT AND FUTURE

- The electric sector dockets all appear to involve the EO in some manner, making it difficult to prioritize any one docket over another
- Current dockets before the PUC should be reviewed and directives in the EO applied appropriately
- Prioritization of any dockets that emphasize decarbonization, have the PUC consider slowing down other dockets

- It is critical that policy dockets continue to move forward
- New dockets that might be a good fit under the EO: differential energy burden, performance based rates, and energy efficiency
- Energy burden dockets need to be considered
- Utilities decarbonizing the system and liability are linked, the link between reliable service and the cost of a more reliable system need to be acknowledged – all customers and ESPs picking up their fair share of resource adequacy is important

ENERGY BURDEN AND DEI ISSUES

- Energy burden can impact more than low-income customers and should be viewed more broadly when actions are taken and implemented
- DEI issues generally need more support throughout the agency, and the Commission should open a docket specific to energy burden
- The PUC should pursue a DEI outreach coordinator position and intervenor funding to allow more meaningful participation from advocacy groups
- Energy burden should be fully investigated to determine what it means, how the PUC should address it, and how it should be applied to rate cases and other proceedings at the PUC
- Staff within the PUC should be identified to lead work around energy burden
- Strong equity provisions and policies are need to support Environmental Justice communities located in downwind areas of power plants and other pollutants
- The PUC should open a public process with Oregon Housing and Community Services as soon as possible to discuss issues around energy burden, low-income and vulnerable populations
- Legislation introduced in the 2019 session could be a guide for working on issues around energy burden in the EO
- Don't want people of color and low-income customers to be served by crumbling infrastructure as others move toward decarbonization – leaving old infrastructure systems behind
- Energy efficiency performance metrics don't adequately account for barriers that low-income customers face, performance metrics around energy efficiency would be a good place to re-invent the wheel
- Addressing non-energy benefits, addresses community impact

ENERGY TRUST OF OREGON

- Discuss how we can modify ETO programs to increase greenhouse gas emission reductions

- Open up ETO to more low-income focused services and programs for the EJ communities
- Cost effectiveness test, barriers to serving underserved populations, underserved customers paying into the system but getting less service, ETO can provide efficiency measures that would be significant to enhance their life and be a benefit
- ETO can support carbon reduction efforts and programs on behalf of the PUC, could do this through current infrastructure and ability – evaluations, reporting, program design, customer relations, quality control measures, incentives
- ETO could support small-scale RNG development and facilities

EO – GENERAL

- Suggested that the PUC clarify the EO does not displace the prudence test or weaken the requirement for just and reasonable rates for customers
- Clarify what metrics will be used to count greenhouse gas reductions, and how it will be applied
- The EO should be included in all proceedings before the PUC
- The implementation of the EO should be a data-driven process
- Encouraged participation, engagement and collaboration with DEQ on their work in the EO
- EO should be implemented in a way that is achievable for companies
- Concern was expressed over impacts to low-income and other vulnerable classes of customers as it relates to implementation of the EO, it's unclear what protections are available under the EO
- Acknowledged that the PUC has limited resources available to implement the EO
- Encouraged the PUC to prioritize those actions that will achieve the deepest decarbonization and the most cost-effective measures possible to be mindful of cost burdens on customers
- Appreciation expressed for sensitivity to affordability for implementation of these initiatives
- Small service territories are economically challenged in Oregon and can be disproportionately impacted when costs are spread over a small number of customers
- Once activities are recognized it would be good to have a workshop, initial report defines plan, should be incorporated into a workshop
- Prioritizing efforts, costs and cost-effectiveness is important
- The EO isn't particularly helpful, in that it doesn't rebalance the priorities of the PUC

- Rates and reliability are important but leaving them unchanged when addressing climate change limits the options the PUC can consider that may be net beneficial to Oregon ratepayers
- Need to focus more on distributed resiliency development
- Carbon adder or calculation of carbon cost/risk needs to be part of the performance based rate revisions and if that requires legislative approval then environmentalists need to support the PUC
- PUC needs to consider ways to decarbonize utilities through more flexible accounting and depreciation of existing emitter resources
- SB 978 performance based rate initiative could be launched to deliver greater climate change performance from utilities
- More aggressive tools will be needed to achieve deeper energy efficiency gains, carbon pricing needs to be factored in somehow, new cost-effectiveness test may be needed
- Categorical extensions for particular types of programs may be needed
- Inclusion of non-energy benefits and carbon costs need to be considered in cost-effectiveness

FUEL SWITCHING

- Incentives or policy-making that drive fuel switching or beneficial electrification is touched on by the EO and will definitely be an on-going public policy discussion - customers will want to see barriers to incentives addressed
- Fuel switching away from inefficient fuels should be encouraged by the PUC
- Fuel switching and carbon intensity are subjects in which the PUC should engage
- Carbon emitters, gas transport customers, don't work with wood, oil or propane customers unless they are switching to electricity or natural gas – fuel switching away from those efforts should be addressed

INTEGRATED RESOURCE PLANS

- Proposed that utilities use the social cost of carbon metric in their IRPs
- Review IRP process to ensure it addresses meeting load obligations and contributes to GHG reductions
- Would like all IRPs reviewed to ensure utilities have maximized GHG emission reductions
- The PUC may need to delay IRP schedules until there is clarity and certainty around load forecasts and resource mixes

- To address decarbonization in an IRP process, each electric company should hold a workshop prior to the start of their IRP process to lay out their vision for addressing decarbonization and take input from the public and stakeholders
- The Commission has the authority to implement deep decarbonization and the place to do that is in the IRPs
- IRPs are the place where utilities can make changes to emissions and carbon pricing - it's a place where the need and benefits of decarbonization can be discussed
- IRP is the place where we most effectively figure out where to meet resource needs
- Transmission is a big part of decarbonization, certainty around transmission investments is needed to achieve decarbonization
- The EO gives clear direction to consider climate change and decarbonization goal in consideration of ratemaking and the IRP process
- PUC process – IRP review, is it aligned in a way that it recognized or weighs options that utilities meet load and also contribute to GHG emission

OUTREACH AND PARTICIPATION

- The PUC should explore ways to bring more advocacy groups into the processes around implementing the EO
- Encouraged the use of effective workshops that would allow broader stakeholder participation
- Stressed importance of conducting workshops that include stakeholders that normally would not participate
- Wants processes that are collaborative and brings people together to work on issues
- Encouraged informal collaborative workshops
- Utility collaboration with and outreach to PUC staff and other stakeholders will be important as we implement the EO
- Outreach and collaboration between DEQ and PUC will be key to proper collaboration
- 978 workshops worked well, think about types of workshops that could be used as part of this effort

PUC STATUTORY AUTHORITY

- In light of the Governor's EO, the PUC should clarify their authority through their mission statement
- EO provides the PUC with needed authority to address climate issues

RNG

- The RNG tariff is a 2020 priority
- RNG rules should be revisited in light of the EO, a lot of oversight and constraints placed on RNG rather than emphasizing and promoting the fuel
- Promote RNG through pre-approved AACs
- Would like to see more done to promote fuel diversification and RNG would be good in that role
- How we account for environmental attributes should be a process that works for all types of carbon efforts (carbon credits), don't want competing systems
- Wants the ability to track and retire carbon credits for natural gas and perhaps trade on a platform that's compatible with existing technology
- Carbon markets (for natural gas) need to be compatible with CA and WA, we need a platform with proven technology as we scale up

SOLAR

- Would like the PUC to increase their level of competence in issues related to regional capacity, resource value of solar, capacity payments, QF, and the treatment of capacity issues in IRPs
- Would like to revisit the resource value of solar
- Would like the utilities to have more capacity for community solar that included long-term solutions and more certainty

SUGGESTED ACTIVITIES – GENERAL

- Explore renewable hydrogen as a means for gas companies to have more flexibility to reduce greenhouse gas emissions
- The PUC should review the voluntary carbon reduction program currently in existence and explore what role it could play in the EO activities
- The EO could explore incentives for production companies located in Canada and the Rockies
- PUC is encouraged to revisit programs currently underway, such as community solar and the Renewable Portfolio Standard
- The PUC should consider a default scenario that matches the 45% reduction by 2035
- PUC should address any gaps in their authority that need to be addressed to meet the intent of the EO

- There is a potential for innovation and addressing resource adequacy around building resources, building codes can align with what the future can look like
- Expand clean energy, initiate carbon free energy system changes
- Issue an RFP for renewable energy resources for rapid deployment of fossil fuel decommissioning by 2025
- Replace fossil fuels by building on electrification system
- Would like the PUC to take more decisive actions on interconnection issues that would remove barriers for the development of renewable resources in Oregon
- Encouraged the PUC to participate in efforts currently underway by the Northwest Power Planning Pool to develop a new resource adequacy program
- Encouraged the Commission to have a discussion about new cost-recovery mechanism for utilities, mechanisms needed to avoid cash flow impacts
- Early collaboration is needed between the PUC and DEQ to allow the utilities to understand what compliance with the EO looks like and to develop the needed tools to meet compliance
- Cost effectiveness rule, balance between what we go after and societal cost of carbon, if this is considered, balance certainty and risk
- Sewage treatment plants are flaring CO2, could be turned into an energy source if the 2 MW cap was removed as a barrier
- Irrigation modernization program creates many benefits – generation, rivers, and fish; need opportunities to expand these projects and need efforts accelerated
- PUC could pursue – distribution planning, 838, IRP, and RNG development

TRANSPORTATION ELECTRIFICATION

- It would be beneficial for the PUC to outline actions they could pursue to guide utility transportation electrification plans and the specifics of the projects utilities propose
- A transportation electrification bill introduced in the 2019 legislative session should give the PUC the direction it needs to increase infrastructure
- When considering transportation electrification infrastructure, expand what that means to include larger utility programs like education and EV charging infrastructure, and operations and maintenance
- As the EO relates to transportation electrification, there are good processes in place now, use the EO as a lens for these processes and don't create a new process that will take additional resources

WILD FIRE

- Consumer-owned utilities are working collaboratively on guidance for their respective utilities on wildfire planning
- Many consumer-owned utilities have wild fire plans in place but they are not standardized
- As an outcome of the workshops, it would be helpful to have a template of best practices for cooperative utilities based on input from utility and PUC experts
- Consumer-owned utilities are interested in PUC and utilities sharing their technical and operational expertise and working collaboratively on wild fire issues
- Wildfire discussions should include options for backup power resources when PSPS occurs
- The Commission should explore alternatives to support PSPS in times of disasters
- Investor-owned electric utilities encouraged the PUC to provide better oversight and policies in areas where utilities are making investments to address wild fire risks
- Encouraged the PUC to adopt a more formalized review process for wild fire mitigation plans
- Would like to see the wildfire section of the EO be implemented as soon as possible in light of the work already underway
- Implementing the wildfire portions of the EO are a priority for electric companies
