

HB 2021 Implementation and Clean Energy Planning Update

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Oregon Public Utility Commission

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Oregon Public Utility Commission (OPUC)

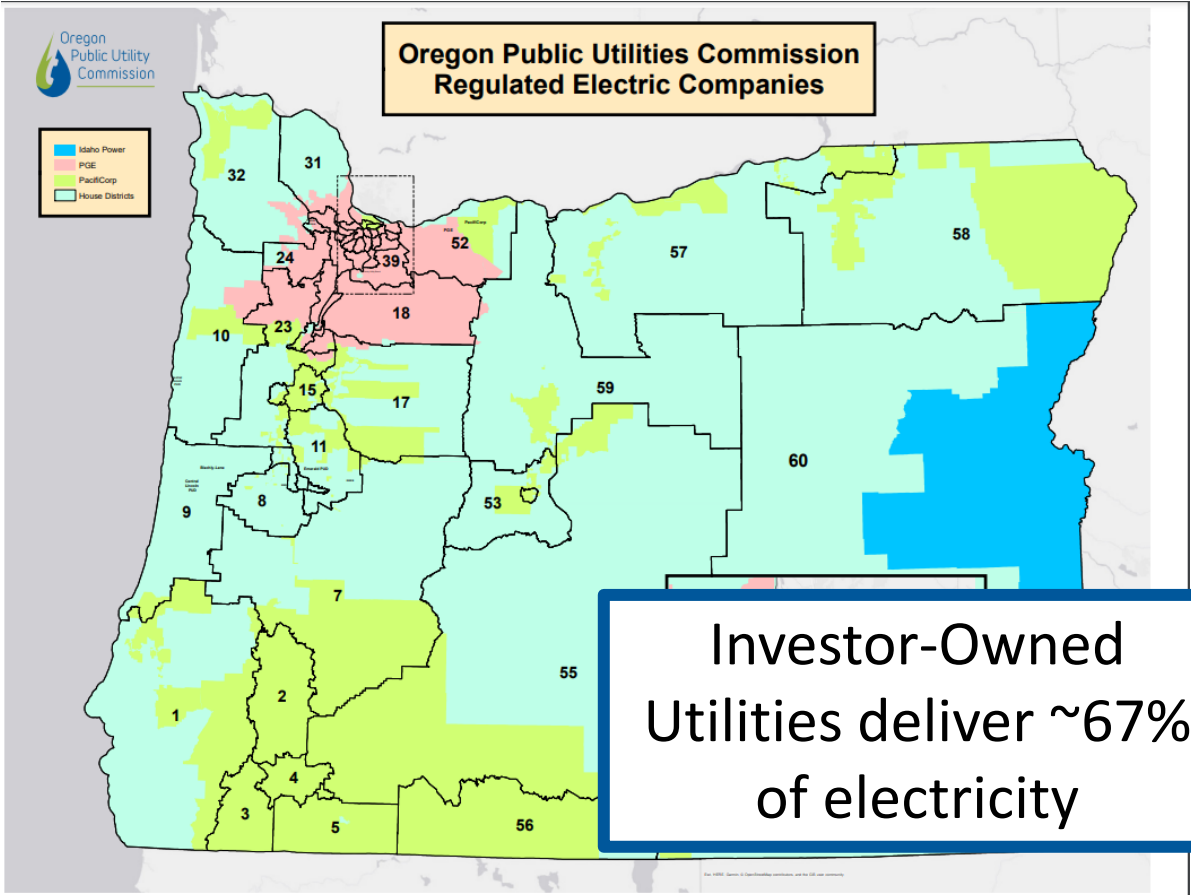
- Economic regulator of investor-owned utilities:
 - Electric – PGE, PacifiCorp, and Idaho Power
 - Natural Gas – NW Natural, Cascade, and Avista
 - Select telecom and small water companies
- Broader role in utility safety and emergency support
- Quasi-judicial and policy functions
- 3 full-time Commissioners

Our mission is to ensure Oregonians have access to **safe, reliable and fairly priced** utility services that advance **state policy** and promote the **public interest**.

We use an **inclusive process** to evaluate differing viewpoints and visions of the public interest and arrive at **balanced, well-reasoned, independent decisions** supported by fact and law.

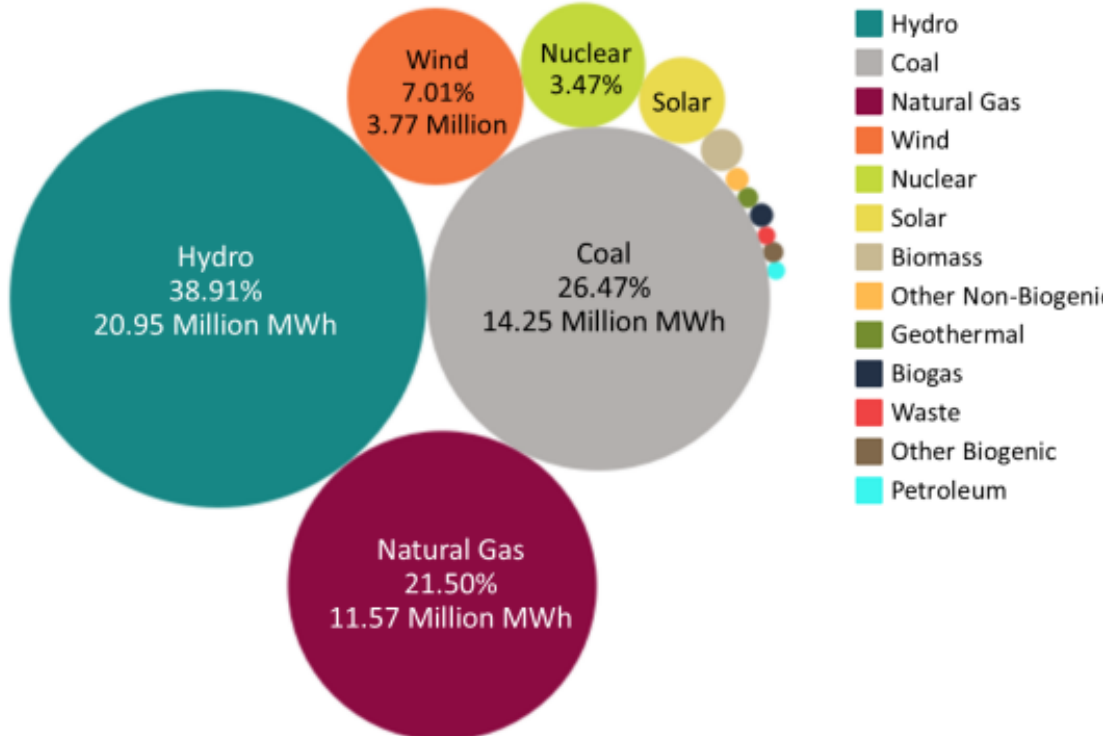
Oregon Context

Energy Landscape



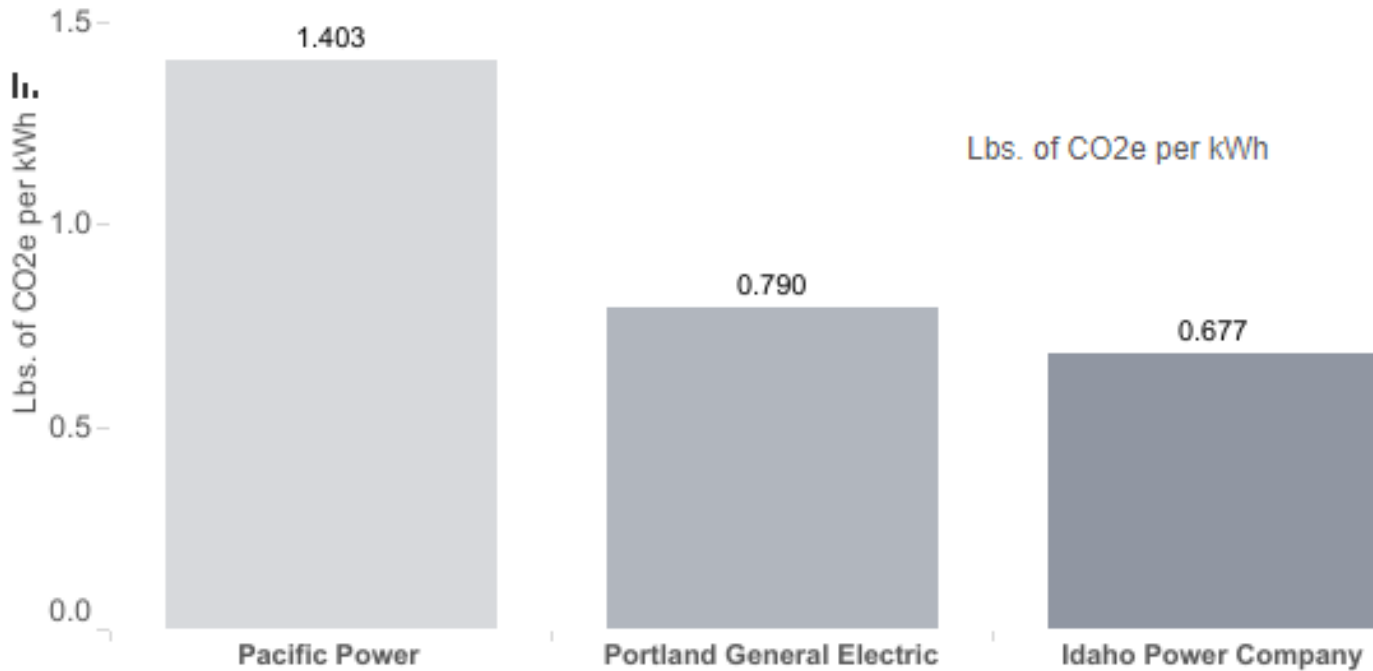
Resources Used to Generate Oregon's Electricity¹

Based on 2020 data, this chart shows the energy resources used to generate the electricity that is sold to Oregon's utility customers.

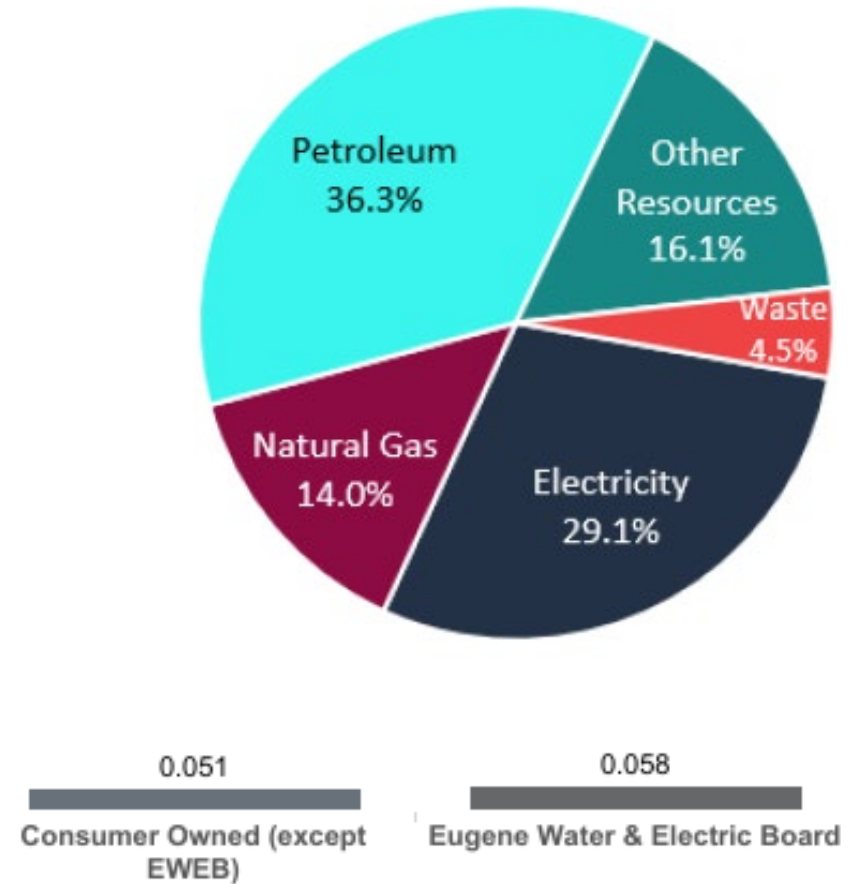


Electric Sector Emissions

Source: Oregon Department of Energy, 2022 Biennial Energy Report, <https://www.oregon.gov/energy/Data-and-Reports/Documents/2022-BER-Energy-by-the-Numbers.pdf>



Greenhouse Gas Emissions by Source (2019)⁵



Source: Oregon Department of Energy, Electricity Mix in Oregon, GHG Emissions by Utility <https://www.oregon.gov/energy/energy-oregon/Pages/Electricity-Mix-in-Oregon.aspx>

Policy Landscape

Clean Energy Policy Evolution (OPUC Lens)

SB 838 (2007)

Renewable Portfolio Standards (RPS)

SB 324 (2015)

Clean Fuels Program Updates

SB 98 (2019)

Renewable Natural Gas

2021 Legislative Session

HB 2021 – Clean Energy Targets - Electric

HB 2475 – Energy Equity

HB 3141 – Energy Efficiency

HB 2165/HB 3055 – Transportation Electrification

SB 762 – Wildfire Protection Plans



Technology Focused

SB 1547 (2016)

Increased RPS

Coal out of rates

Community Solar

Transportation Electrification

Small-scale Community-based Renewables

Demand-side resource preference

Executive Order 20-04 (2020)

Rapid reductions of GHG emissions, at reasonable costs

Impacted Communities

Wildfire Prevention and Mitigation

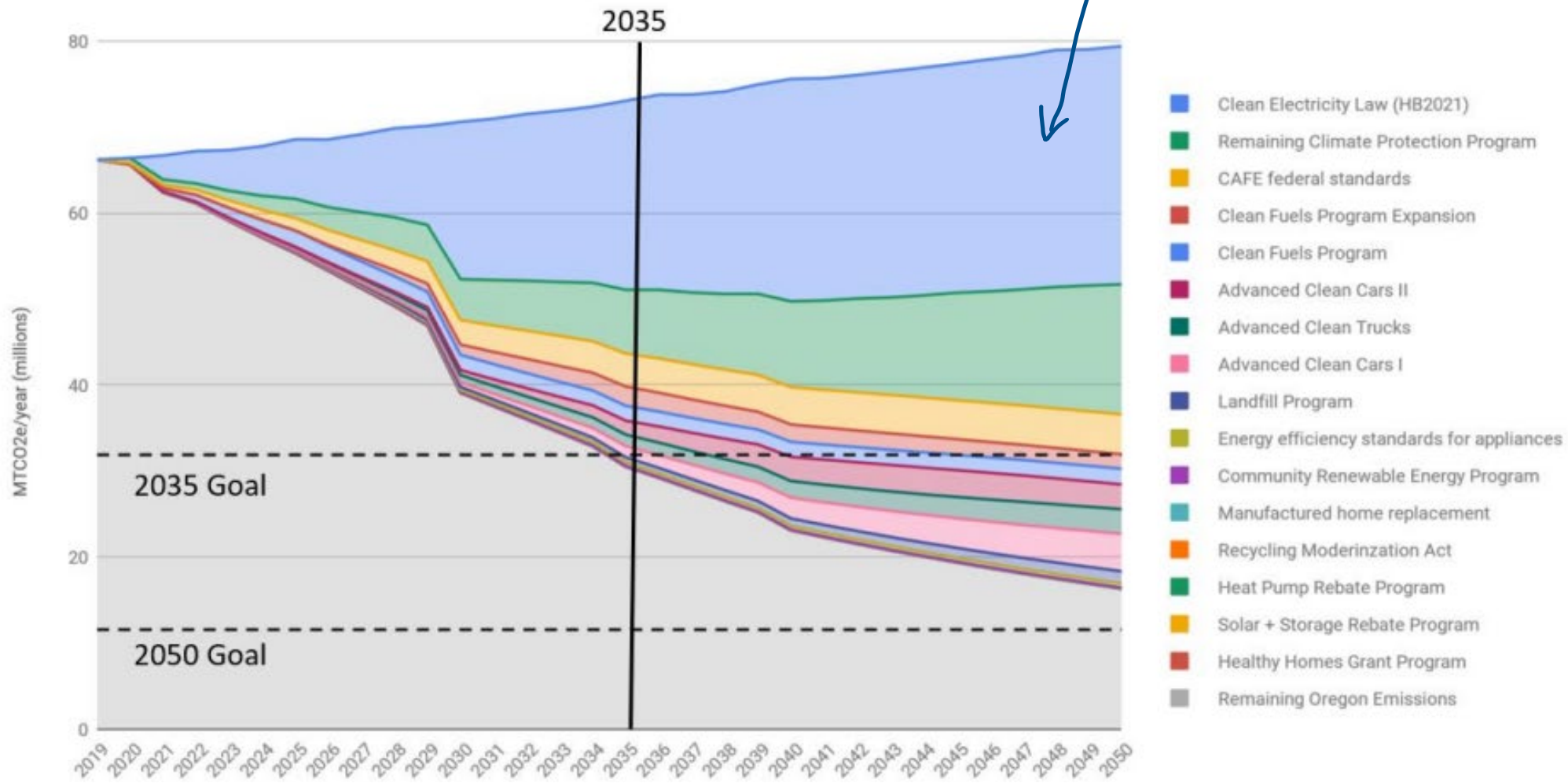
Holistic + Just

Climate Protection Program (2021)

90% reduction in greenhouse gas emissions from “covered entities” in Oregon by 2050 (applies to natural gas)

Role of Electric Emissions Policies

House Bill 2021



House Bill 2021

HB 2021 – Key Provisions

*Effective September 25, 2021

Emissions Reductions

- 80% reduction – 2030
- 90% reduction – 2035
- 100% GHG free – 2040

Planning & Protections

- Clean Energy Plans (CEP)
- Reliability pause
- Affordability off ramp
- Regional coordination
- Non-bypassability of costs

Environmental Justice

- Advisory groups
- Labor standards (ODOE)
- Community benefits
- Natural gas plant ban

Applies to:

Portland General Electric
PacifiCorp (dba Pacific Power)
Retail Choice Suppliers (ESSs)

Community Renewables

- 10% small-scale by 2030
- CBRE Grants (ODOE)
- CBRE Study (ODOE)

Consumer Choice

- Local government renewables
- Code of conduct (maintaining competition)

HB 2021 – Implementation

Last Year

- Planning guidance
- Advisory groups
- Retail choice policies
- Local government work group

This Year

- Plans and procurement
- Legal questions
- External collaboration
- Enabling frameworks

Upcoming

- Planning/procurement redesign
- Community green tariff
- Monitoring/enforcement policies

Clean Energy Planning

Clean Energy Plan Requirements

PGE and Pacific Power must develop CEPs in connection with Integrated Resource Planning (IRPs)

CEPs must:

- Include **annual goals/actions** for progress towards emission reduction targets
- Examine **community-based renewable energy (CBRE)** opportunities
- Examine **resiliency opportunities** based on industry standards and PUC guidelines
- Result in an **affordable, reliable and clean** electric system

The PUC must acknowledge the CEPs if they are in the public interest, feasible, and consistent with the clean energy targets**

***Implementation of clean energy targets includes reliability and cost off ramps*

2022 CEP Guidance

Expedited process to establish expectations:

- Being quantitative about community impacts and role of CBRE
- Testing different paces of emissions reductions, emerging technologies, and future conditions
- Identifying least regrets near-term actions and long-term challenges, forks in the road
- Linking planning metrics to ongoing reporting
- Accountability, transparency, and accessibility

[Order No. 22-206](#) requires first CEPs to be filed with next IRP end of Q1 2023

[Order No. 22-390](#) provides guidance on goals/metrics, community benefits indicators, and resiliency and community-based renewable energy projects

[Order No. 22-446](#) focuses on planning analysis, including modeling scenarios, options for reducing emissions from fossil fuel resources, and data to be included in the first CEPs

2023 Planning Review Process

- Complexity
 - Modeling challenges
 - Uncertainty
 - Diverse, sometimes competing, considerations

Key Considerations

Pacing and feasibility

- Near-term costs
- Operational assumptions
- Supply constraints
- Emerging technologies
- Load growth

Regional issues

- Environmental justice
- Transmission
- Market development
- Emissions accounting
- Multijurisdictional utilities

Allocation of risks and benefits

- Energy burden
- Community-based resources
- Voluntary actions
- Federal incentives

Ongoing Focus

- Low-regrets near-term actions, such as energy efficiency and flexible procurements
- Improving planning, metrics, and other frameworks for tracking and adjusting
- Staying engaged in long-term opportunities, such as regional markets and emissions accounting

Conclusion

- **Questions?**
- **Additional questions?**
 - Contact Robin Freeman, Policy Director, robin.freeman@puc.oregon.gov
- **Want more detail?**
 - Appendix slides
 - [OPUC Climate and Clean Energy Agenda](#)
 - Planning guidance: [UM 2225](#)
 - Policy and legal issues: [UM 2273](#)
 - PGE planning: [LC 80](#)
 - Pacific Power planning: [LC 82](#)