

HB 2021 Clean Energy Plans

**House Committee on Climate,
Energy & Environment**

January 18, 2023

**Megan Decker, Chair
Oregon Public Utility Commission**

PUC Overview

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 - 125 FTE

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.

HB 2021 – Key Provisions

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

Environmental Justice

- Advisory groups
- Labor standards
- Community benefits analysis

Community Renewables

- 10% small-scale by 2030
- ODOE Grants
- ODOE Study

Consumer Choice

- Community renewables
- Code of conduct (maintaining competition)

Clean Energy Plan Requirements

PGE and PacifiCorp 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** 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 and consistent with the clean energy targets

CEP – PUC Guidance in 2022

- PUC Staff led workshops and circulated straw proposals to **seek stakeholder priorities and input**
- Staff focused on **new HB 2021 elements** to add for first CEPs
- Commission issued **three guidance orders**, based on review of Staff work and public comment
- Procedural **rulemaking** in progress

[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

Key Expectations for 2023 CEPs

- Stakeholder and community **engagement strategies**
- Targets for acquiring **community-based renewable energy** (CBRE)—including resiliency projects
- Using **community benefits indicators** (CBIs) to guide and track HB 2021 strategy

- Relationships between the CEP, IRP, and other utility plans
- Identifying least regrets actions and long-term challenges, dependencies
- Testing different paces of emissions reductions, emerging technologies, and future conditions
- Providing transparency into fossil fuel resource assumptions and proposed activities

2023 CEP and Other HB 2021 Activities

PUC Staff tracking development of CEPs, to be filed in spring 2023

PUC review of CEPs

- ~6-9 month public process
- Also: IRPs, DSPs, RFPs

CEP procedural rulemaking

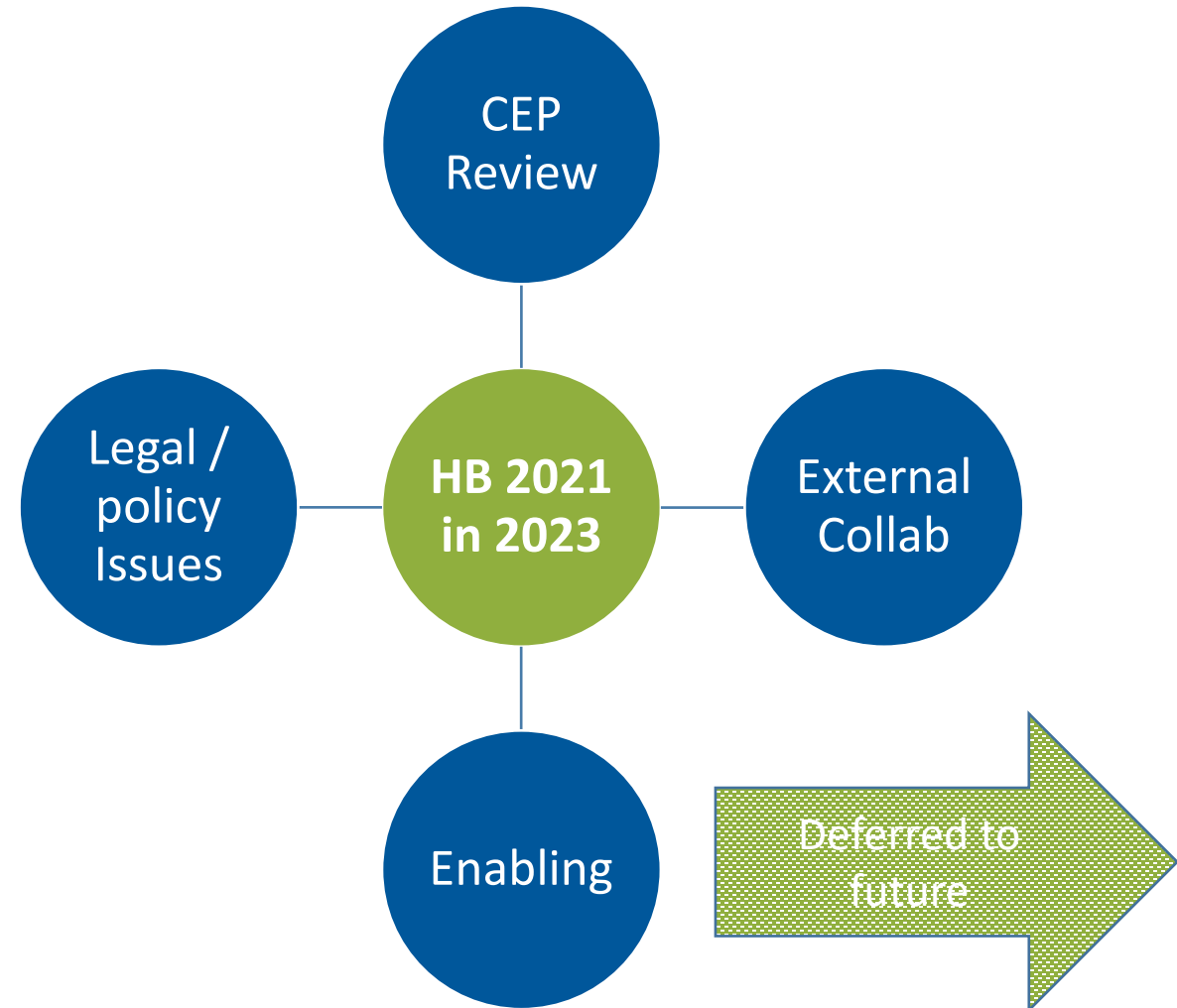
Other implementation activities

Process for Commission decision on disputed legal and policy issues

External collaboration – regional, DEQ

Clean energy and other enabling work

- e.g., interconnection, avoided costs



Conclusion

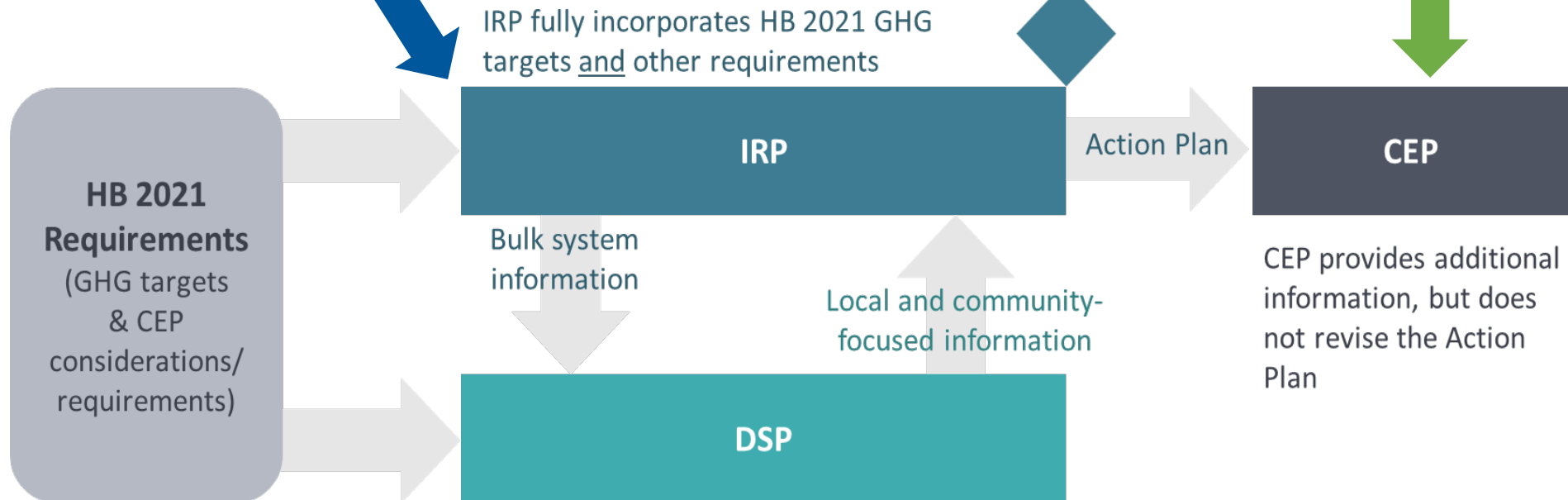
- **Questions?**
- **More questions?**
 - Contact Robin Freeman, Policy Director, robin.freeman@puc.oregon.gov
- **Want more detail?**
 - See Appendix slides
 - See [UM 2225](#), [AR 655](#)

Appendix Slides

Planning Interactions

- **Community Benefit Indicators (CBIs)** for portfolios
- **Community-based renewable energy (CBRE)** potential study → informs portfolio analysis
- Test different paces of GHG reduction

- Annual actions + CBIs and other metrics
- CBRE acquisition targets + acquisition actions
- Balance cost, risk, pace



HB 2021 Implementation

Categorization of HB 2021 tasks for PUC (November 29, 2021)

<https://www.oregon.gov/puc/Documents/HB2021-Gantt.pdf>

	Issues	Sections
Planning (IOUs)	Targets and baselines Clean Energy Plans – process, content, and acknowledgement criteria Coordination with DEQE throughout	3 4, 5(1)-(2) 5(1)
Compliance (IOUs)	Monitoring continual progress Compliance – process, methods, exceptions, coordination with DEQ Off-ramps – reliability, cost Early compliance incentives	4(6) 5(4), 8(1)-(3) 9,10, 16 12
Direct Access Issues	Forward looking report Compliance - methods, exceptions, coordination with DEQ Off-ramps New guidance about cost-shifting and competitive policy priorities Supply mix disclosure requirements	5(3) 8(1)-(3) 11 14, 23 25
Customer and community benefits	Utility Community Benefits and Impacts Advisory Group Future PURPA avoided costs changes to reflect generators that contribute to compliance ODOE Study on Small Scale Renewable Energy Projects ODOE Community renewables grant program + advisory committee Updated small scale community-based renewable requirements	6 8(4) 18 29-36 37
Customer supported renewables	Housekeeping portfolio options Community-wide renewable products (a portfolio option)	20-21 22
Underlying attributes and RPS interactions	Emissions accounting based on underlying resource (not RECs) No repeal of RPS statute Changes to definition of bundled and unbundled REC	7 13 24
Other elements	Labor standards Natural gas plant prohibition	26-27 28