

June 15, 2020

Megan Walseth Decker, Chair
Letha Tawney, Commissioner
Mark Thompson, Commissioner

VIA EMAIL: Comments regarding Oregon Public Utility Commission Response to EO 20-04

Dear Commissioners,

The collective signing organizations, representing clean energy organizations, consumer and community advocates, appreciate the considerable work you and PUC staff (staff) contributed to the Oregon Public Utility Commission's (PUC) implementation plans regarding [Executive Order 20-04 \(EO\)](#). Achieving greenhouse gas (GHG) emissions reductions by meeting the state goals outlined in the EO, and improving regulatory processes to involve and ensure reduction of burdens and increase of benefits to impacted communities, are critically important to all of our organizations.

We offer the following comments on the [PUC report](#) (report) on the EO,¹ issued May 15, 2020 to Governor Brown. The comments herein follow the organization of the PUC report, discussing recommendations for each of the three themes.

GHG Reduction

We are encouraged by the numerous aspects of utility planning, regulatory framework and activities, including the forward-looking approach to transportation electrification contained in this section in the initial report. What remains is to prioritize between many demands on staff's time to ensure the actions with the maximum benefits for impacted communities and GHG reduction happen first.

We agree that the EO will require new approaches and thinking in many of the ongoing processes and proceedings. We urge considerable thinking about how the PUC will provide guidance to signal the changes that will be necessary in each area: Is rulemaking necessary? Do guidelines need to be reviewed or issued? How will the PUC ensure robust public participation to generate ideas and input from customers and other stakeholders in order to develop changes that will work for everyone, with a special emphasis on impacted communities?

We have identified the following common priority areas:

- Exploring **community green tariff programs**. Local governments have been leading the way by developing community-based climate plans, which require clean energy investments from regulated utilities. Developing programs that support these climate plans is essential to their success.
- Mandating that **future utility planning processes meet the EO's GHG targets**, and potentially incorporating the social cost of carbon.
- Opening a proceeding immediately to **adopt performance-based incentives**, as was called for in the final SB 978 process report. As this process was called for previously and underlies other agency processes, we recommend this process start as soon as practicable.
- Initiating an investigation to update **energy efficiency rules and programs**, including:
 - Pursuing updates necessary to the guidance provided to utilities in UM 551.
 - Identifying program options to encourage the discontinuation of bulk fuels where other more efficient and less emitting options exist.
 - More actively exploring energy efficiency options for natural gas transport customers.

¹ Oregon PUC. "Report on Executive Order 20-04" p. 1, accessed May 15, 2020, <https://www.oregon.gov/gov/Documents/2020%20PUC%20EO%2020-04%20Implementation%20Report.pdf>.

- Ensuring **transportation electrification (TE) dockets** are robust and diverse enough to meet the EV goals in SB 1044, remove market barriers to TE for all customers, and efficiently and affordably integrate growing electric transportation load. This will include expecting submission of, and approving, more ambitious TE program portfolios from utilities. Program portfolios should be designed to meet the directives in EO 20-04 and include programs that provide direct and indirect benefits to customers who are disproportionately impacted by GHG emissions and high transportation energy burdens, such as low-income communities, communities of color and rural communities.
- Opening a docket to explore the opportunities for, and benefits of, electric utility investment in **beneficial electrification**, including reducing GHG emissions, reducing indoor and outdoor air pollution, reducing costs to customers, leveraging the built environment to fill resource adequacy needs, and other utility system benefits.
- Closely scrutinizing any proposals for expansion of natural gas applications and infrastructure (transportation or otherwise) to ensure customers are avoiding responsibility for fossil fuel infrastructure becoming **stranded assets**.

Impacted Communities

While income designations are one way to define impacted communities, the EO and the report recognize that there are many ways to identify these communities. While some of the issues the PUC will need to address are specific to low-income customers, we encourage staff to take a broad view that incorporates all forms of diversity. To do this successfully, the PUC will have to make every effort to encourage a significant amount of new participation from customers and the groups that represent them. We thank the PUC for its internal work on these matters, and strongly encourage the steps outlined in the report to continue.

Additionally, we appreciate that the report acknowledges the need for resources to help organizations participate. We encourage immediate action on this topic so that participation diversification can happen from the beginning of the EO implementation process. Moreover, we would caution against beginning other complicated proceedings before addressing barriers to participation, and before beginning the energy burden process described below, since impacted community protections and equity efforts must occur within, rather than separate from or after, other PUC processes.

Distributed energy resources, storage and resilience are particularly important for impacted communities, who are underrepresented in policy processes, hit worst by natural and health-related disasters, and often reached last in relief and recovery efforts. We urge the PUC to prioritize processes and methodologies that make these life-saving, wealth-building measures possible for impacted communities.

We have identified the following common priority areas:

- Per the EO’s mandate, establishing “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.”² We recommend that the PUC scope the necessary components of the process immediately, with the intent to begin the process as soon as practicable.
- Expanding the intervenor funding pilot established in the SB 978 process to enable organizations representing diverse customer segments to participate in the energy burden process and other elements of EO implementation.

² Office of the Governor, State of Oregon. “Executive Order No. 20-04: Directing State Agencies to Take Actions to Reduce and Regulate Greenhouse Gas Emissions” p. 9, accessed June 15 2020 from https://www.oregon.gov/gov/Documents/executive_orders/eo_20-04.pdf.

Wildfire Planning and Collaboration

We applaud the PUC’s recognition of the urgency of this issue, and the need to address community engagement in wildfire planning. Broadly, we are supportive of plans that mitigate risk, but are also wary of capital bias. We urge the PUC to approach mitigation in a manner that benefits communities and customers, rather than solutions that rely on large utility investments, where possible. Distributed resources, microgrids and other small-scale, customer-centric investment may often yield the least-cost, least-risk resource, and utilities should be incentivized to seek out these solutions.

Within community engagement around wildfire, we specifically recommend ensuring the presence of communities that are most affected by wildfire at workshops to establish best practices for mitigation. This participation can and should include local government and community-based organizations. Moreover, utilities should be required to conduct meaningful community participation processes to inform their wildfire protection and mitigation plans.

Process, Public Engagement, and Next Steps

Finally, we offer some thoughts on process, public engagement and next steps. We are broadly supportive of staff’s recognition that implementation “will involve new ways of thinking about the PUC’s role, objectives, and regulatory authority.”³ The process of engagement used in SB 978 illustrates how to conduct broader public engagement in EO implementation. Additionally, because much of the implementation will be woven throughout existing PUC processes and proceedings, we encourage thinking about how communications, particularly the PUC web-interface, can facilitate easier accessibility around ongoing proceedings and how those things link back to the EO.

Regarding next steps, we recommend the PUC create a work plan and publicly accessible timeline for EO implementation. We look forward to working with staff and a broad array of stakeholders to ensure a robust and innovative implementation process.

Sincerely,

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350 Eugene
350 Salem
350 Washington County
Beyond Toxics
Climate Solutions
Community Energy Project
Community for Earth, First Unitarian Church of Portland
Douglas County Global Warming Coalition
Environmental Caucus of the Democratic Party of Oregon
Multnomah County Office of Sustainability
Natural Resources Defense Council
NW Energy Coalition
OLCV Metro Climate Action Team
Oregon Citizens’ Utility Board
Oregon Environmental Council
Oregon League of Conservation Voters
Our Climate
Renewable Northwest
Rural Oregon Climate Political Action Committee
Southern Oregon Climate Action Now
Sustainable Northwest

³ Ibid., p. 12.