Clean Energy Plan (CEP) Engagement Series

August 2023 Meeting Notes

Friday, August 25, 2023, 1 -4 p.m. Pacific Time

E Source, PacifiCorp's meeting facilitation partner, synthesized and summarized these notes.

Executive Summary

There were 97 people in attendance, including members of the public and PacifiCorp representatives, at the fourth iteration of the CEP Engagement Series meeting. The virtual meeting, which was hosted via the Zoom platform, provided a holistic overview of the planning and components of the Clean Energy Plan and the pathways to realizing reduced emissions prescribed in HB2021. To maximize accessibility, the meeting was recorded for those who could not attend, and Spanish and ASL interpretation/translation was provided.

The following summarizes the content and feedback received during the 3-hour public meeting.

Session Objectives

1. Brief on Clean Energy Plan (CEP)
2. Socialize Clean Energy pathways
3. Deepen understanding of:
    - Integrated Resource Planning to Clean Energy Plan
    - Small Scale Renewable Procurement
    - Community-Based Renewable Energy (CBRE)
    - Community Engagement

Slides and audio recordings are available in English and Spanish below:

Clean Energy Plan Engagement Series 2 Slides

Clean Energy Plan Engagement Series 4 Recording - part 1, part 2

Opening

PacifiCorp's Stephanie Meeks welcomed participants to the meeting and handed it off to E Source's Morgan Westberry, who covered meeting logistics and introduced the agenda.

Integrated Resource Plan to Clean Energy Plan

Pacific Power's Randy Baker began the discussion with an overview of the layered approach to developing Pacific Power's first Clean Energy Plan portfolio for Oregon based on the 2023 Integrated Resource Plan. For both the Integrated Resource Plan and Clean Energy Plan, Pacific Power used Plexos optimization software to conduct a least-cost, least-risk analysis of options. Risk is primarily measured by reliability and safety, aiming to provide customers with safe, clean, and affordable energy.

It is broken out into three stages. The first step is determining the optimal resource portfolio for the entire system. The resulting portfolio of resources is called the 'preferred portfolio' and represents an ideally planned system based on the best available data. The second stage is optimized again but with

the additional requirement to include 10% small-scale renewables per HB 2021. In the final stage, stage 3, Pacific Power analyzed the anticipated emissions, identifying specific issues and pathways to meet the remaining gaps in hitting targets.

Questions and comments:

- JP Batmale asked how the CEP requirement relates to and influences what is going into the IRP, as applying that incentive relates to constructing the IRP portfolio.
    - Pacific Power responded that the IRP and CEP are embedded in other processes and dependent on other processes, such as procurement. Those results that are produced inform what to go out and seek in the market of projects and bids. Separate from the relationship with other states and policies, Pacific Power is keenly looking at policies, cost breaks, and other things that would influence the cost and benefits of resources, including CBIs, CBREs and SSRs. This is an evolving process with more considerations to come. Not everything could be addressed this time around.
- Micah DeSilva asked a question about stage 3. It was mentioned that the solution has to do with allocation. Can the basic methodology that would be used for that be expanded on? Is reliability included in this allocation methodology?
    - Pacific Power responded that the IRP doesn't generally address this. It is downstream and complicated. For the CEP, this had to be considered. CEP compliance required proof that it could hit targets.
- Daniel MacNeil asked how the work will be determined during the MSP process.
    - Pacific Power responded that before 1989, Pacific Power had been serving all customers with a combined portfolio. It has been an issue with the combination of the IRP when planned for six states. It has been combined to look at the least cost analysis, but the issue of allocations persists. There are active negotiations to come up with a methodology to propose to each state.

Community-Based Renewable Energy (CBRE) Grant Straw Proposal

Pacific Power's Ryan Harvey provided an update on the Community-Based Renewable Energy (CBRE) Grant Straw Proposal, discussing the ideas for proposal advancement. To start the conversation, a summary of the CBRE commitments was provided.

1. Continued assessment of needs and opportunities (expand the CBRE potential study)
2. Develop a straw proposal for expansion of the Community Resilience Battery Storage Pilot focused on community resilience hubs for consideration at the end of 2023
3. Explore opportunities to leverage public funding to advance CBRE opportunities
4. Build tools and awareness to assist communities and stakeholders in connecting to CBRE processes, initiatives, and programs as they develop

Last month's presentation on the topic provided an opportunity to share and receive feedback determining community interest and the program's direction. The feedback provided was separated into three columns: current actions, actions in development, and possible future actions.

As CBRE advancement planning progresses, several overarching recognitions remain key thinking.

- Engage partners better to understand mount/type of community needs and interests

- Evolve the existing Battery Storage Grant Pilot Program to address learning needs
- Grant Pilot will serve as one of several aspects of the CBRE development strategy
- Provide communities with technical studies for consideration of increased critical facility resilience
- Consider a mechanism to provide matching funds for communities seeking external grant awards for critical facilities
- Support CBRE project design and installation to allow for learning opportunities and to pair grid benefits with community benefits

As the backdrop to the pilot, there was significant thought into how this pilot program could be different and as impactful as possible. There are multiple new programs and funding sources that are focused on community resilience:

- Increased/Expanded funding of existing resilience programming
    - Now $70M in Oregon Department of Energy funding for Community Renewable Energy Grant Program (C-REP)
    - Additional $10M added to Oregon Department of Energy Solar and Storage Program
    - New Battery Storage Incentive programs
    - Oregon Department of Energy-led Solar for All federal grant application
- Recent legislation targeting resilience funding
- Additional Support for Community Projects
    - Energy Trust of Oregon's Community Pipeline Program to provide grant writing assistance for FEMA funding
    - Oregon Department of Energy's Community Navigator position

Pacific Power follows these recommendations to continue moving the work forward to meet communities where they are and provide a CBRE with the most community benefit.

Chat Questions:

- Pat DeLaquil asked how large the grant program will be.
- Alessandra de la Torre asked how Pacific Power supports or invests in these grant programs. Is Pacific Power looking at helping to make these programs more accessible or successful for communities?
    - Pacific Power responded that slides on Oregon's Changing Landscape and Straw Proposal Recommendations help answer these questions. There is a bucket of funding that is still available that was previously approved for use by the commission for the battery storage-specific pilot that is hoping to be reimagined. The plan is to return and ask for additional funding that would be used to support CBRE projects across the service territory. If there is approval to leverage the dollars of customers that live across the service territory, speaking to what is being proposed, it seems particularly important that some of the benefits are leveraged across that service territory, as well.

Pacific Power Discussion Questions

1. Are there any initial responses to this conceptual framework?

2. Guardrails will be reconsidered for the provision of feasibility studies and grant-match funding. Recognizing the time-sensitive nature of many of these requests, how might we consider these strategies?
    a. Prioritized community needs using localized resilience metrics
    b. Overall "benefits" of the project (to grid, community, etc.)
    c. Unique aspects of the project
    d. "First come, first served."
    e. Others?

Please submit comments to OregonCEP@PacifiCorp.com.

- Claire Valentine asked for clarification on the slides. On the Straw Proposal Recommendations and alignment with other efforts, is this an example or limited to these?
    - Pacific Power responded that it is not limited to these. The goal is to prioritize projects already in motion to not miss out on the opportunity to maximize benefits.
- Claire Valentine asked for clarity on the Straw Proposal timeline. When discussing prioritizing community needs using localized resilience metrics, which metrics are being referred to? Is this how the pilot program will be prioritized?
    - Pacific Power responded that the approach to the current version of the battery storage grant pilot has been on a first-come, first-serve basis. If the criteria are met, the answer is not no. Pacific Power is open to hearing about how others prioritize based on community, project type, benefits, or uniqueness. Pacific Power will continue to work to answer this question.

Break

Small-Scale Renewable Procurement

Pacific Power's Heather Eberhardt provided an update on the Small-Scale Renewable Procurement. In grounding the group and in accordance with HB2021, Section 37, small-scale renewable energy projects are defined as generating a capacity of 20 MW or less or facilities that generate electricity using biomass that also generates thermal energy for a secondary purpose.

To engage stakeholders and notify the market of its small-scale renewable resource and upcoming small-scale RFP, Pacific Power has taken these steps:

- In March, identified the resource need in the IRP filing
- In May, committed to a small-scale renewable RFP targeted for Q4 2023
- In April, at the 2nd engagement series meeting, portfolio results were discussed
- In June, at the 3rd engagement series meeting, the overall schedule and high-level procurement topics, as compared to the all-source RFPs, were discussed
- In August, at the 4th engagement series, stakeholders will be updated on the schedule and discuss plans for small-scale contracting, RFP eligibility and RFP oversight
- In October, at the 5th and final engagement series meeting, there will be a review of the small-scale contract terms and RFP valuation methodology

Currently, in the public input step of the procurement timeline, the CEP engagement series has been an important step in soliciting stakeholder feedback. The next step is to issue the RFP to the market and receive feedback. Initially targeted for Q4 of 2023, this step will be pushed 3-6 months out to Q1 of 2024.

Pacific Power's Paul Johnson led the discussion on eligibility decisions that have been made thus far. This is intended to show the key areas within the context of underlying contracts.

Chat Question:

- Pat Delaquil asked why energy storage is excluded, and hybrid systems provide greater resilience benefits.
    - Pacific Power answered that the statute does not call out energy sources, which is one of the key reasons. Concerning storage, if that is included and valued, it must be dispatched. This would make the contract more complicated. There is also a concern that, for example, a 20 MW solar facility with 20 MW of storage, if that goes just 1 MW over, would be considered over the limit and wouldn't be considered a small-scale renewable. Based on our interpretation of the rules, we are looking for small for the first round.

- Jeni Hall asked, since eligibility for EIM is identified as a prerequisite for small-scale renewable projects if examples can be provided of the kinds of benefits that a renewable generation project that is not dispatchable (does not include battery storage) can provide on the Energy Imbalance Market (EIM)?
    - **Pacific Power responded that this will be considered, and a response will be prepared for the October meeting.**

- Matt Hutchinson asked if "located throughout Pacific Power's service territory" includes areas outside of Oregon.
    - Pacific Power responded that any resource with an interconnection study or agreement connecting into Pacific Power territory would be eligible for procurement.

- Dave Moldal asked if it can be expanded on how smaller CBREs may be considered separately. Is there any differentiation in power purchase rates?
    - Pacific Power encouraged participants to attend the October engagement series meeting, where the discussion will share plans for certain considerations for different resource bids. More specific details and conversations about these plans will be revealed during the October CEP Engagement Series.

- Ryan Coakley asked if projects must be interconnected to Pacific Power's transmission system to be eligible. Or will projects interconnecting to Pacific Power's distribution system qualify?
    - Pacific Power responded that projects interconnecting to the Pacific Power distribution system are eligible. If there is a generation-level interconnection into the Pacific Power distribution system, it would be considered eligible.

For smaller and new developers looking to offer Pacific Power small-scale renewable projects, Pacific Power offers up the following resources:

Questions and Comments:

- Micah DeSilva asked, as a follow-up to an earlier question, when it comes to IRP modeling of the allocation for stage 3, are there assumptions about how that allocation process will take place as stages 1 and 2 are modeled?
    - Pacific Power responded that the eventual cost will be based on the actual. Currently, it is assumed that the approved allocation methodology is being followed. Regarding modeling, the IRP and the CEP optimizations align with how the system is run, which means it operates as a system. It's very recursive. At this stage of the remodeling, the allocation is part of it. The goal is to find the lowest risk and cost for all customers.

Distribution System Planning Update

Pacific Power's Ian Hoogendam updated the Distribution Systems Planning (DSP) by discussing recent community workshops held in the Upper Rogue and Prineville communities, traditional vs. nontraditional approaches to grid needs, leveraging energy programs, feedback received, and next steps.

The recent community workshop in Upper Rogue and Prineville started by providing background from previous workshops. The workshop aimed to educate the public on the identified grid needs and how solutions are being developed. Workshop topics included: Grid needs overview, traditional/nontraditional solutions overview, study area grid needs and solution options, and wildfire mitigation update in Upper Rogue. At the first workshop for the Upper Rogue Area, feedback was provided that wildfire mitigation is a primary concern for the area. For the second workshop in Upper Rogue, wildfire mitigation progress and upcoming activities were shared, as well as areas of collaboration between distribution system planning and wildfire mitigation.

During the workshop, part of the discussion focused on how grid needs have been traditionally addressed, involving upgrades, expansion, or reconfiguration of the distribution system. The group is seeking community feedback on the nontraditional solutions now being evaluated. Nontraditional solutions involve leveraging existing energy programs like accelerating solar adoption and energy efficiency, expanding demand-response programs for distribution grid need purposes, or collaborating with smaller groups on other unique energy solutions.

Community Engagement

Pacific Power's Christina Medina spoke to community engagement, reassuring members that any feedback shared has been heard and considered to improve the engagement series. Pacific Power is continuing to work through the engagement roadmap.

The early impacts of the engagement space created are plentiful:

- Growing number of engagement spaces, meaningful engagement outcomes
- Inspire new tools and approaches for how we communicate and expand outreach
- Building new relationships and amplifying opportunities for collaborations

- Input shapes how to deliver programs and information
- Community voices influence how to think about planning
- Subject Matter Experts want to connect with the CBIAG, Tribal Nations Engagement Group, and more

Pacific Power's external engagements are always open to the public and offer exploration into Clean Energy Plan aspects, with content posted and shared publicly.

Evolving the Approach to Tracking Feedback & Impacts

Pacific Power's Stephanie Meeks provided information on the evolving approach for tracking the feedback provided. Listening to feedback provided during the engagement series helped develop the idea of a feedback repository.

Questions and Comments:

- Claire Valentine asked if there is a publication date for the feedback tracker.
    - Pacific Power responded that the target timeframe to post this is within two weeks. It will capture the feedback received until June 2023 and then, from there, will layer in the following months to get it into a routine, regularly updated process.
- Claire Valentine asked if the feedback tracker only captures questions or if it captures comments, as well.
    - Pacific Power responded that it will cover all comments, questions, and prompted discussions. Additionally, it is worth acknowledging that the notes are posted publicly with recommendations and comments noted in the notes.

Public Comment and Next Steps

There was no public comment.

Stephanie Meeks closed the meeting by inviting further feedback, commentary, and questions to oregonCEP@pacificorp.com. As a reminder, the meeting was recorded and will be posted in the coming days.