

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2371

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2025 All-source Request for Proposals.

RENEWABLE NORTHWEST
COMMENTS ON STAFF REPORT

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I. INTRODUCTION

Renewable Northwest appreciates the opportunity to submit these comments to the Oregon Public Utility Commission (“Commission”) regarding the July 3, 2025 Staff Report (“Staff Report”) recommending conditional approval of Portland General Electric Company’s (“PGE”) Draft 2025 All-Source RFP (“RFP”) and RFP Scoring and Modeling Methodology (“SMM”). In these comments, Renewable Northwest:

1. Supports certain changes to the RFP adopted by PGE in response to Renewable Northwest’s May 16, 2025 Comments (“May 16 Comments”);
2. Supports three recommendations set forth in the Staff Report:
 - a. SMM Condition 34, to remove PGE’s proposed negotiation escrow from the RFP;
 - b. RFP Condition 9, to modify the RFP to allow bidders to deliver energy to Mid-C up to the amount of PGE’s surplus Mid-C rights; and
 - c. RFP Condition 10, to modify the RFP to provide that PGE will evaluate bids that do not meet the RFP’s minimum transmission requirements;
3. Recommends that the Commission adopt an additional condition requiring PGE to remove the RFP’s requirement that bids from dispatchable resources demonstrate 100% long-term firm transmission (“LTF”); and
4. Supports Staff’s recommendation to address Energy Resource Interconnection Service (“ERIS”) in PGE’s next RFP.

Renewable Northwest appreciates the changes already adopted by PGE and the conditions recommended by Staff to address issues raised in Renewable Northwest’s May 16 Comments. If the Commission adopts the conditions proposed by Staff and identified above,

that outcome will go a long way toward ensuring that PGE's RFP is fair and competitive.

Having said that, Renewable Northwest notes that there were many other issues raised by other parties and many other conditions recommended in the Staff Report. Renewable Northwest takes no position on these other issues and other conditions, but appreciates efforts by other parties and Staff to ensure the RFP is fair and competitive.

As noted above, Renewable Northwest also offers one recommendation over and above Staff's proposed conditions: that the Commission direct PGE to remove the requirement that dispatchable resources demonstrate 100% LTF. As will be discussed in greater detail below, other transmission products are highly reliable to meet PGE's capacity needs. Strictly requiring LTF could pose an unnecessary bar to procurement of least-cost, least-risk resources when more nuanced approaches such as a reduced capacity accreditation are available. Staff's recommendation that PGE assess bids that do not meet the RFP's minimum transmission requirements may partially mitigate this issue, but Renewable Northwest's additional recommended change is necessary to ensure that quality bids from resources providing dispatchable capacity are fairly considered.

In the end, Renewable Northwest reiterates its appreciation for the work of other parties to this docket and thanks the Commission for its attention to these comments.

II. COMMENTS

A. Support for Changes Adopted by PGE

PGE adopted two sets of meaningful changes to the RFP in response to Renewable Northwest's May 16 Comments: modifications to accommodate emerging technologies, and relaxation of certain transmission requirements. This section will briefly highlight those changes and offer appreciation to PGE for voluntarily adopting them.

As to modifications to accommodate emerging technologies, Renewable Northwest's May 16 Comments "recommend[ed] that PGE make certain changes to the Draft RFP to send a market signal to developers of emerging technologies and ensure that no unnecessary barriers will prevent these developers from bidding and, if determined to be least-cost and least-risk, being selected in PGE's upcoming RFP."¹ Key changes identified in the May 16 Comments included amending language in Appendix A to the RFP that would have precluded participation by emerging resources and offering an effective load carrying capability ("ELCC") calculator to traditional and emerging resources on equal terms.² PGE adopted these recommended changes.³ Renewable Northwest appreciates PGE's responsiveness on this issue.

As to relaxation of transmission requirements, Renewable Northwest recommended, among other things, that PGE relax its transmission requirements for hybrid project bids and bids delivering to PGE Variable Energy Resource Points of Receipt ("VER PORs") and that PGE apply a capacity value to bids using BPA's Conditional Firm System Conditions transmission product.⁴ PGE made each of these changes. It amended the requirement for hybrid projects, clarifying the language to address Renewable Northwest's concern.⁵ It amended the requirement for bids delivering to PGE VER PORs to put those bids on equal footing with other bids, from a transmission-requirements perspective.⁶ And it set forth a methodology for assigning a capacity contribution value to resources using Conditional Firm System Conditions transmission, rather

¹ *In re PGE 2025 All-source RFP*, Docket No. UM 2371, Comments of Renewable Northwest at 2 (May 16, 2025).

² Docket No. UM 2371, Comments of Renewable Northwest at 3-5.

³ Docket No. UM 2371, PGE Reply Comments at 5 (May 30, 2025).

⁴ Docket No. UM 2371, Comments of Renewable Northwest at 10-12.

⁵ Docket No. UM 2371, PGE Reply Comments at 9.

⁶ Docket No. UM 2371, PGE Reply Comments at 11-12.

than applying a value of zero.⁷ While Renewable Northwest has additional recommendations regarding relaxation of transmission requirements, discussed below, and may recommend still other changes in future RFPs, it appreciates PGE’s adoption of the recommended changes outlined above.

B. Support for Staff Recommendations SMM Condition 34 (Removal of Negotiation Escrow), RFP Condition 9 (Addition of Delivery to Mid-C), and RFP Condition 10 (Consideration of Bids That Do Not Meet Minimum Transmission Requirements)

The Staff Report recommends three conditions for approval of PGE’s RFP that address issues identified in Renewable Northwest’s May 16 Comments but were not accepted by PGE. This section will address each in turn, and explain why Renewable Northwest supports Staff.

SMM Condition 34: Staff recommends that the Commission condition RFP approval on the requirement that “[t]he Negotiation Escrow payment element should be removed from the RFP.” This recommendation exactly tracks Renewable Northwest’s recommendation that “the Commission direct PGE to remove this novel escrow payment because it effectively penalizes successful bidders, is likely to damage participation in the RFP, and could set a harmful precedent that reverberates more broadly throughout the industry.”⁸ While PGE’s response “d[id] not propose modifications to the negotiation escrow provisions[,]”⁹ Staff ultimately shared Renewable Northwest’s concern that “the negotiation escrow could limit bidders” and recommended its removal.¹⁰

PGE’s rationale for the proposed negotiation escrow essentially boils down to its concern that it will expend resources negotiating with projects that are not sufficiently commercially

⁷ Docket No. UM 2371, PGE Reply Comments at 12.

⁸ Docket No. UM 2371, Comments of Renewable Northwest at 6.

⁹ Docket No. UM 2371, PGE Reply Comments at 19.

¹⁰ Docket No. UM 2371, Staff Report at 28-29.

mature, stating that “[i]n the 2018, 2021, and 2023 RFPs top performing bidders were unable to execute a contract with PGE due to shortcomings related to the commercial maturity of the projects.”¹¹ Renewable Northwest observes that PGE’s observation is conclusory rather than supported with details or analysis, questions whether PGE’s failure to contract with short-listed resources in past RFPs was a function of those resources’ commercial maturity, and notes that materials whose production PGE has fought in discovery partially on relevance grounds could help stakeholders to assess that claim. Regardless, Renewable Northwest appreciates Staff’s recommendation and continues to view PGE’s proposed negotiation escrow as unsupported on the record, unnecessary, and inappropriate.

RFP Condition 9: Staff recommends that the Commission condition RFP approval as follows: “Prior to issuing the RFP, PGE should publish the quantity of its Mid-C rights not used for the delivery of contracted hydro, other firm RA contracts, or specified zero marginal cost energy, and make Mid-C an acceptable delivery point in this RFP, up to the identified amounts.” Staff’s proposal presents a thoughtful and nuanced solution to an issue raised by several parties, including Renewable Northwest.

Renewable Northwest’s May 16 Comments recommended expanding the list of acceptable delivery points to include additional PORs, including Mid-C.¹² With respect to Mid-C, PGE responded that “a large portion of PGE’s transmission rights to the Mid-C hub are currently associated with delivery of non-emitting Mid C hydropower to PGE” and that “PGE relies on the flexibility of its rights to the Mid-C trading hub to acquire and deliver affordable

¹¹ Docket No. UM 2371, PGE Reply Comments at 15.

¹² Docket No. UM 2371, Comments of Renewable Northwest at 9.

energy to customers using market tradeable products.”¹³ The Staff Report provides the same response Renewable Northwest was and remains inclined to make: “if PGE has zero marginal cost energy delivering to Mid-C in the future, it should prefer to bring that energy to its load over making unspecified purchases at Mid-C.”¹⁴ Staff concludes that PGE “likely has rights from Mid-C that are not already reserved for bringing specified zero marginal cost energy to their load” and that PGE therefore could likely “meaningfully and strategically leverage its existing rights and accommodate VERs.”¹⁵

Renewable Northwest agrees with Staff and supports Staff’s recommended RFP Condition 9 as a reasonable resolution to the issue of additional delivery points. While Staff’s recommendation does not go as far as Renewable Northwest had recommended, it is a sensible compromise likely to expand the pool of resources able to bid into the RFP and deliver clear, affordable energy to PGE’s customers.

RFP Condition 10: Staff recommends that the Commission condition RFP approval as follows: “PGE should evaluate bids that do not meet the minimum transmission requirements and may consider and evaluate such bids for the initial short list as well as the final short list, with adequate justification.”¹⁶ Staff’s solution is an elegant response to issues that have recurred in recent PGE RFPs as the region’s transmission system becomes ever more constrained. Rather than attempt to get everything to do with the complexities of the region’s transmission system precisely right on the front end of the RFP, under Staff’s proposal PGE would affirmatively evaluate bids that do not meet the minimum transmission requirements and consider advancing

¹³ Docket No. UM 2371, PGE Reply Comments at 7.

¹⁴ Docket No. UM 2371, Staff Report at 11.

¹⁵ Docket No. UM 2371, Staff Report at 11.

¹⁶ Docket No. UM 2371, Staff Report at 14.

those that are sufficiently attractive from a cost and risk perspective under the oversight of the IE and the Commission. Had it been used in prior RFPs, this approach appears likely to have avoided the contentious issues that played out in UE 427 while ensuring that more bids could have been considered on an even playing field. For these reasons, Renewable Northwest supports Staff's recommended RFP Condition 10.

C. The Commission Should Direct PGE To Remove the Requirement That Dispatchable Bids Demonstrate 100% Long-Term Firm Transmission

While PGE's changes and Staff's recommendations have made progress on most of the transmission issues addressed in Renewable Northwest's May 16 Comments, there is one point on which Renewable Northwest requests that the Commission go a step further: removing the requirement that a dispatchable resource demonstrate "long-term firm transmission rights for 100% of the resource's interconnection limit[.]"¹⁷

After Renewable Northwest raised this issue in its May 16 Comments, PGE responded as follows:

PGE intends to retain a 100% LTF requirement for dispatchable resources, which include stand-alone battery storage, pumped hydro storage, and geothermal resources. This provision has not been modified from the 2023 RFP. PGE needs confidence in a resource's ability to deliver energy when called upon when the primary purpose of these resources is to meet resource adequacy needs.¹⁸

The Staff Report agreed: "Staff continues to support PGE's requirement for 100 percent LTF for dispatchable resources due to the reliability and capacity purposes of a dispatchable resource."¹⁹

But adding a 100% LTF requirement to a dispatchable resource is unnecessarily conservative.

Dispatchable resources such as storage and enhanced geothermal are likely to be available when

¹⁷ Docket No. UM 2371, Draft RFP, Appendix A at 5 (Apr. 17, 2025).

¹⁸ Docket No. UM 2371, PGE Reply Comments at 9.

¹⁹ Docket No. UM 2371, Staff Report at 13.

called upon to provide capacity. As a function of their generation profile, they carry little risk on their own. Requiring LTF on top of that generation profile is the proverbial gilding of the lily – it requires a scarce resource and adds cost while adding little or no additional benefit.

In the context of the Integrated Resource Plan (“IRP”) and Clean Energy Plan (“CEP”) underlying this RFP, Renewable Northwest hired Grid Strategies to review curtailment data for BPA’s conditional firm transmission products and assess the risk of curtailment during PGE’s peak hours.²⁰ Grid Strategies concluded that curtailment is unlikely to correspond with peak need hours.²¹ Other material in this very docket supported by both PGE and Staff acknowledge that resources relying on conditional firm transmission offer capacity value to PGE.²²

Renewable Northwest suggests there is no rational basis for applying a different construct to dispatchable resources. The most consistent approach would be for the Commission to simply require that PGE apply the same transmission requirements to dispatchable resources that it does to renewable resources in Table 1 of Appendix A.

Renewable Northwest notes that Staff’s recommended RFP Condition 10 would help mitigate the disparity between the transmission requirements that apply to renewable resources versus dispatchable resources. However, simply directing PGE to assess bids that do not meet the 100% LTF requirement would not be sufficient to fully overcome this disparity, nor would it address the lack of adequate rationale for the disparity. The best approach would be for the Commission to remove the more stringent transmission requirement for dispatchable resources.

²⁰ *In re PGE 2023 IRP and CEP*, Docket No. LC 80, Round One Comments of Renewable Northwest, Att. D (July 27, 2023).

²¹ Docket No. LC 80, Round One Comments of Renewable Northwest, Att. D.

²² *See, e.g.*, Docket No. UM 2371, Staff Report at 19 (“Staff appreciates PGE’s willingness to attribute capacity value to system conditions transmission equivalent to number of hours assumptions.”).

D. Support for Staff's Proposal To Consider Energy Resource Interconnection Service in PGE's Next RFP

Finally, Renewable Northwest supports Staff's recommendation to address "how to appropriately consider and value ERIS ... resources in ... a future RFP."²³ While Renewable Northwest had recommended that PGE consider ERIS resources in this RFP, given the need to address more urgent and complex issues now, it is appropriate to take up this issue in PGE's next RFP if PGE continues to limit bids to Network Resource Interconnection Service ("NRIS") resources.

III. CONCLUSION

Renewable Northwest respectfully requests that the Commission adopt the recommendations in bold below:

1. Renewable Northwest supports RFP changes adopted by PGE in response to Renewable Northwest's May 16 Comments;
2. **Renewable Northwest recommends that the Commission adopt at least the following three conditions proposed by Staff:**
 - a. **SMM Condition 34**, to remove PGE's proposed negotiation escrow from the RFP;
 - b. **RFP Condition 9**, to modify the RFP to allow bidders to deliver energy to Mid-C up to the amount of PGE's surplus Mid-C rights; and
 - c. **RFP Condition 10**, to modify the RFP to provide that PGE will evaluate bids that do not meet the RFP's minimum transmission requirements;

²³ Docket No. UM 2371, Staff Report at 23.

3. **Renewable Northwest recommends that the Commission adopt an additional condition requiring PGE to remove the RFP’s requirement that bids from dispatchable resources demonstrate 100% long-term firm transmission (“LTF”); and**
4. **Renewable Northwest Recommends that the Commission adopt the at least the portion of the Staff Report that suggests addressing Energy Resource Interconnection Service (“ERIS”) in PGE’s next RFP.**

Again, Renewable Northwest appreciates the Commission’s attention to these comments and looks forward to the July 22, 2025 Public Meeting at which the Commission will consider approval of the RFP.

Dated this 14th day of July 2025.

Respectfully submitted,

Sanger Greene, PC



Max Greene
4031 SE Hawthorne Blvd.
Portland, Oregon 97214
Telephone: 401-339-2990
Fax: 503-334-2235
max@sanger-law.com

Of Attorneys for Renewable Northwest