September 17, 2026

Via electronic filing

Oregon Public Utility Commission
Attn: Filing Center
puc.filingcenter@puc.oregon.gov

Re: Comments of Renewable Northwest - Phase 2, Track 3 Proposal on Performance Incentive Mechanisms

Docket No. AR 676 - *Rulemaking to Establish Multi-Year Rate Plan Framework (HB 3179 & SB 688 Implementation)*

I. Introduction

Renewable Northwest ("RNW") appreciates the opportunity to provide comments at the request of Staff of the Public Utility Commission of Oregon ("Staff") as part of the AR 676 Phase 2, Track 3 opportunity to submit Performance Incentive Mechanism ("PIM") proposals. Consistent with Staff's clear directive, RNW intends to offer its perspective on discrete PIMs in an effort to help create "a shared understanding of the relationship of PIMs to utility performance outcomes and regulatory objectives in an MRP framework."[1] As detailed in our prior comments, RNW has participated in this docket with a focus on cost-effective decarbonization, modernized grid utilization and operational efficiency; and other matters.[2] For the purposes of a streamlined Phase 2 process, RNW will focus these comments on the asset utilization metric, as detailed in Staff's workplan.

Oregon utilities must make significant investments to comply with HB 2021, maintain reliability, and serve new and growing loads. The design of the Performance-Based Regulation ("PBR") framework will help determine whether those investments are made strategically and affordably, or whether traditional ratemaking incentives continue to favor capital expansion even where lower-cost solutions could provide better value to customers.

[1] AR 676 - Staff Phase 2 Workplan at 6.
[2] AR 676 - June 3, 2026 Comments of Renewable Northwest at 1.

Consistent with our advocacy throughout this proceeding, RNW's principal interest is to further a PBR framework that can improve cost discipline, reduce regulatory burden, and begin to align financial incentives with the efficient achievement of Oregon's clean energy and affordability mandates. The inclusion of PIMs within a PBR framework will create durable solutions to maximize the value of ratepayer-owned assets while making strides towards Oregon's binding carbon reduction mandates. However, they must be structured in a manner that leads to real and achievable benefits for Oregon customers in the form of operational efficiencies, cost savings, and clean energy benefits.

It is essential to recognize that penalties—not just rewards—must play a meaningful role in driving utility accountability and ensuring performance outcomes are met. Without the potential for financial consequences, utilities may lack sufficient motivation to prioritize progress toward decarbonization and grid modernization. Penalties help reinforce that certain outcomes, such as delays in interconnecting clean resources or failure to meet clean energy mandates, are not minor missteps but rather meaningful failures with real consequences.

For example, New York's Con Edison faces downside earnings adjustments for underperformance in areas like peak load reduction and customer engagement in efficiency programs. And in 2022, Con Edison did not achieve its Electric Peak Reduction Earnings Adjustment Mechanism ("EAM"), resulting in no financial reward and highlighting the financial consequences of underperformance.[3] These examples illustrate that a balanced PIM structure—one that includes both "carrots" and "sticks"—is necessary to create credible, enforceable incentives and to safeguard ratepayer and environmental interests. We appreciate Staff's inclusion of "Backstop PIMs" that are penalty-only in addition to PIMs related to customer disconnections, asset utilization, and progress on Community-Based Renewable Energy acquisition targets that may be eligible for incentive regulation. However, it may be useful to consider both carrots and sticks in the context of asset utilization metrics as well.

As we have indicated in prior comments, RNW encourages continued focus on translating the concepts of investment efficiency, asset utilization, and efficient clean energy development into concrete metrics and incentive structures. RNW believes asset utilization represents one of the strongest opportunities for meaningful performance incentives because it directly connects affordability, reliability, clean energy integration, and efficient infrastructure planning. Establishing metrics that measure how effectively utilities utilize existing transmission and generation assets would provide greater transparency into system performance while helping

[3] 2022 Con Edison Earnings Adjustment Mechanism Achievement Report (filed Mar. 31, 2023), State of New York Public Service Commission, Case-19-E-0065 and Case-10-G-0066, *available at* 2022 Con Edison Earnings Adjustment Mechanism ...New York (.gov)https://documents.dps.ny.gov › public › ViewDoc.

ensure customers receive maximum value from existing infrastructure before additional investments are pursued.

These comments will provide a view of measurable PIM structures that may be used to incent asset utilization.

II. Comments

A. Asset Utilization, GETs, and Grid Modernization PIMs

RNW continues to believe "asset utilization" can be broadly construed to include both operational metrics to enable greater utilization of existing infrastructure and incentives to invest in technologies that will promote efficient operations, such as grid-enhancing technologies ("GETs"), battery storage deployment, and solutions like peak demand reduction. The Commission should consider utility activities that could reasonably fall within the concepts of "investment efficiency" and "asset utilization," including deployment of GETs, reduction of transmission congestion, improved utilization of existing transmission capacity, improved interconnection timelines, and other operational measures that increase the value delivered by existing infrastructure before additional capital investments are required.

GETs can be broadly defined as hardware and/or software that dynamically increase the capacity, efficiency, reliability or safety of existing power lines, faster and at lower cost than traditional grid buildout.[4] In an era experiencing significant transmission congestion, deploying GETs can provide a faster and more cost-effective solution than the lengthy and costly process of greenfield transmission expansion. While HB 3336 created a requirement for GETs to be analyzed in a Strategic Plan in utility Integrated Resource Plans, RNW believes there may still be room to consider potential PIMs targeted towards GETs deployment.[5]

On asset utilization, RNW has worked with the Energy Advocates on their proposal, and fully supports the PIM proposal articulated in their comments. RNW agrees with the Energy Advocates that clear metrics around asset utilization are now perhaps more important than ever in a time when Oregon-jurisdictional utilities are facing marked demand growth, driven in large part by an unprecedented surge in large loads. In order to help integrate these loads in a manner that protects utility customers, both better utilizing existing ratepayer-funded assets and making least-regrets investments that increase the efficiency of the utility system are paramount. As can be seen in the proposed asset utilization metrics listed below, these should be broadly construed

[4] https://watt-transmission.org/what-are-grid-enhancing-technologies/.
[5] https://edocs.puc.state.or.us/efdocs/HAC/um2409hac344566038.pdf.

to include a full suite of potential investments that can help increase the efficiency of the utility system.

For ease of reference, RNW duplicates the grid utilization metrics offered in the Energy Advocates' comments here:

Phase 1

RNW joins the Energy Advocates in recommending the following grid utilization metrics be reported for each of the preceding three years:

1. System throughput, including:
    1. Total MWh delivered;
    2. Total potential deliverable MWh; and
    3. System losses.
2. System performance during peak and minimum load periods, including:
    1. MW delivered;
    2. Potential deliverable MW;
    3. Duration of peak and minimum load periods; and
    4. Identification of system constraints.
3. Asset and reliability risk, including:
    1. Number of assets operating outside normal operating conditions or design criteria; and
    2. Frequency and duration of abnormal operating conditions for such assets.

Phase 2

Electric utilities will submit a comprehensive action plan that details a strategy for engaging or deploying underutilized assets to improve overall transmission and distribution system utilization. Brattle released a study in March 2026 entitled 'The Untapped Grid'.[6] The authors identified several tools for improving grid utilization, including the following:

1. Batteries
2. HVAC controls
3. EV charging controls
4. Smart panels
5. Time-varying rates

[6] Ryan Hledik et al., *The Untapped Grid: How Better Utilization of the Power System Can Improve Energy Affordability*, Brattle (Mar 2026), https://www.brattle.com/wp-content/uploads/2026/03/The-Untapped-Grid-Mar-2026.pdf.

6. Flexible interconnection policies
7. Targeted energy efficiency
8. Grid-Enhancing Technologies
9. Data center flexibility
10. Improved system planning

RNW agrees that these metrics provide a useful starting point and looks forward to continuing to engage as this important process progresses. As can be seen in the PIMs listed above, asset utilization should be broadly construed to include a full suite of investments that can maximize the operational efficiency of the grid in a manner that protects customers while making strides towards Oregon's clean energy mandates.

III. Conclusion

Renewable Northwest appreciates Staff's and stakeholders' thoughtful approach to this proceeding and looks forward to further participation in the development of performance-based regulation in Oregon.

Respectfully submitted this 17th day of September, 2026,

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