BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the Joint Application of PORTLAND GENERAL ELECTRIC COMPANY, GEM SUB LLC and PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY for an Order Authorizing Service Area Transfer and Asset Purchase and Sale.	DOCKET NO. UE-260208

TESTIMONY OF

MIKE GOETZ

ON BEHALF OF

RENEWABLE NORTHWEST

September 1, 2026

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I. INTRODUCTION

Q. Please state your name, business address, and affiliation with Renewable Northwest.

A. My name is Mike Goetz and I am the Regulatory Affairs Director for Renewable Northwest ("RNW"). RNW is a regional clean energy advocacy 501(c)(3) nonprofit organization dedicated to expanding clean energy infrastructure in Oregon, Washington, Idaho, and Montana. RNW's work is informed by our membership, which is a unique combination of renewable energy and storage companies, engineering and law firms, consumer advocates, and environmental nonprofits.[1]

Q. Please describe your education and professional experience.

A. I hold a B.S. in Earth Systems, Environment and Society from the University of Illinois at Urbana-Champaign and a J.D. with a Statement of Completion in Environmental and Natural Resources Law from the University of Oregon School of Law. I am a member of the Oregon State Bar, and my license number is 141465. Following law school, I completed an Energy Law & Policy Post-Graduate Fellowship through the University of Oregon School of Law's Environmental and Natural Resources Law Center. From 2016-2024, I served as Staff Attorney and, later, General Counsel for the Oregon Citizens' Utility Board ("CUB"). CUB is the statutorily-authorized advocate for residential ratepayers of investor-owned utilities in the State of Oregon. In that capacity, I appeared as lead counsel in a wide range of utility proceedings before the Public Utility Commission of Oregon ("OPUC"), including many proceedings that directly implicated Portland General Electric

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[1] *About Renewable Northwest*, RNW, https://renewablenw.org/about-us.

Company ("PGE") and PacifiCorp (hereafter "Joint Applicants"). I have appeared in well over a hundred proceedings at the OPUC, including Integrated Resource Plans ("IRPs"), general rate cases, annual power cost filings, administrative rulemaking proceedings, Commission investigations, single-issue ratemaking proceedings, and several mergers, acquisitions, and corporate reorganization filings that applied similar legal standards to the one at issue in the instant case. These cases include Northwest Natural's OPUC Docket No. UM 1804 Application for Approval of Corporate Reorganization to Create a Holding Company, OPUC Docket No. UM 1897 Application of Hydro One Limited to Exercise Substantial Influence over the Policies and Actions of Avista Corporation, and OPUC Docket No. UM 2028 Northwest Fiber, LLC and Frontier Communication's Joint Application for an Order Approving the Transfer of Control of Frontier Communication Northwest, Inc.

In 2024, I served as Senior Policy and Regulatory Counsel for the NW Energy Coalition ("NWEC"). In that capacity, I engaged in a wide range of utility proceedings before the Washington Utilities and Transportation Commission ("UTC" or "Commission"), Bonneville Power Administration, the OPUC, and the Montana Public Service Commission.

I have been employed in my current role since January 2025. In this capacity, I oversee our engagement with state utility commissions in Washington, Oregon, Idaho, and Montana, as well as our markets and transmission engagement. I have engaged in a number of proceedings before the Commission, including various planning, procurement, and investigatory dockets. RNW has also been an active participant in the Montana Public Service Commission Docket No. 2025.10.078, Joint Application of NorthWestern Energy and Black Hills Corporation and NorthWestern Energy Group, Inc. for Approval of Merger.

Q. On whose behalf are you testifying in this case?

A. I am testifying on behalf of RNW.

Q. What is the purpose of this response testimony?

A. The purpose of my testimony in this case is to respond to the proposed transaction between PGE and PacifiCorp ("Application"). In this Opening Testimony, I do not offer an ultimate opinion on whether the proposed transaction meets the Commission's no-harm or net-benefits standards. I also do not offer a recommendation regarding whether the Commission should approve the proposed transaction, nor do I propose conditions the Commission could attach to an approval decision. It is my current expectation that I will offer more concrete conclusions and proposals in Cross-Answering Testimony after reviewing other parties' testimony. In this Opening Testimony, I discuss the issues that are of particular importance to Renewable Northwest at this point in the process.

First, I explain RNW's interest in this case, grounding the organization's participation in its history of Washington policy and regulatory engagement and its current mission and priorities. Second, I specifically discuss RNW's history of engagement with the Joint Applicants, much of which has taken place in policy and regulatory engagement in Oregon and in regional processes, to contextualize RNW's views regarding the proposed transaction. Third, I briefly review the no-harm and net-benefit standards that currently guide my inquiries into the proposed transaction, including the interaction between these standards and public policy considerations such as the requirements of Washington's Clean Energy Transformation Act ("CETA"). Fourth, I discuss implications of the proposed transaction for resource planning and CETA compliance, focusing on how the proposed transaction will affect both the logistics and process of resource planning and the substantive outcomes of that planning process. Fifth, I discuss interconnection and transmission as a complex and deeply important issue that will require the Commission's close scrutiny, as missteps could jeopardize efforts to procure cost-effective clean energy resources for customers of the resulting utility ("Gem") if the proposed transaction is approved. Sixth and finally, I discuss the Joint Applicants' proposal that Gem will be a standalone, Washington-specific utility rather than a multi-state utility, suggesting that this element of the proposal raises some initial concerns that the applicants may need to mitigate.

As a preliminary matter, based on my review of the proposed transaction, there appear to be both benefits from the proposed transaction and some concerns that may need to be mitigated. I look forward to reviewing discovery and other parties' testimony to reach a stronger conclusion in my Cross-Answering Testimony.

II. RENEWABLE NORTHWEST'S INTEREST IN THE CASE

Q. Please describe RNW's interest in this case.

A. RNW has a long history of engaging in policy and regulatory matters related to the clean energy transition in Washington and the Northwest. In the last decade, RNW helped to develop and pass CETA and was intimately involved in CETA implementation across multiple UTC dockets. RNW participates in utility resource planning and procurement processes and has been involved in utility-specific regulatory proceedings including engagement with PacifiCorp's 2021 Clean Energy

Implementation Plan ("CEIP"), 2023 Biennial CEIP Update, 2025 Washington Situs Request for Proposals ("RFP"), and 2025 CEIP. In particular, Renewable Northwest participated in the adjudication of PacifiCorp's 2023 Biennial Clean Energy Implementation Plan Update with the goal of ensuring adequate progress toward CETA's 2030 greenhouse gas-neutrality requirement and advocated to the Commission for 2025 Washington Situs RFP terms that would ensure robust participation and lowest reasonable cost outcomes.

RNW's current mission is to decarbonize the region by accelerating the transition to renewable electricity.[2] Relevant to this case, our interest is ensuring that the Application, if approved, results in a "net benefit to the customers of the company."[3] While I will discuss the Commission's standard for acquisitions more thoroughly below, I note that—consistent with my engagement in various other mergers, acquisitions, and corporate reorganizations—an examination of whether the standard has been met is a subjective exercise that will differ among various parties. In RNW's view, the inquiry involves an examination of whether the new entity can meet its load and reliability obligations in a manner that enables it to cost-effectively and equitably meet CETA's binding mandates. This means demonstrating a procurement pathway that minimizes cost to customers relative to the actions of the prevailing Commission-regulated utility. This can be achieved through a demonstration of lower borrowing costs or access to incremental resources that provide greater value than the status quo. In addition, the new entity should uphold its

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2 *Our Mission*, RNW, https://renewablenw.org/about-us#block-ourmission.
3 RCW 80.12.020.

obligations under existing transmission and interconnection agreements to ensure that resources that may demonstrate or have already demonstrated customer value can become part of the utility's system. The newly-formed utility must also demonstrate that it will abide by and uphold the Commission's established processes for ensuring sound resource planning practices and competition in resource procurement processes.

Additionally, a principal inquiry in utility acquisition proceedings is whether the new utility can provide service at a lower blend of cost and risk relative to the incumbent utility. While the calculation of retail rates offers one metric by which to assess this, other prevailing factors include the utility's overall risk profile, credit rating, and ability to access capital markets under favorable conditions that provide a clear path to a future with an optimized blend of cost and risk for the utility's customers.

RNW views participation in this case as following closely from the organization's policy and regulatory engagement and as necessary to carry out the organization's mission. The proposed transaction would effectively end the CETA obligations for one of Washington's three investor-owned utilities currently subject to the law and create a wholly new investor-owned utility with a different set of resources and needs that will need to meet a challenging legal standard in just three years in order to achieve the near-term, binding 2030 emissions mandate.

Q. Are there any specific outcomes RNW hopes to see from this case?

A. RNW is participating to ensure that, if the proposed transaction is approved, Gem will have a clear, transparent, and achievable path to meeting its CETA mandates through sound resource planning and procurement. In addition, in order for the proposed transaction to be approved, Gem must demonstrate that it will uphold existing transmission and interconnection rights and offer service at terms that reflect a blend of cost and risk to the utility's customers that meets the prevailing net benefit standard.

III. EXPERIENCE WITH PACIFICORP AND PGE

Q. Please describe RNW's experience with PacifiCorp and PGE.

A. RNW has a long history of working with the Joint Applicants and, particularly, engaging in relevant regulatory dockets in Oregon and Washington.

As to PacifiCorp, a brief history of RNW's history of engaging with PacifiCorp's CEIP and CETA-compliance activities is set forth above. However, because of Oregon's robust IRP and longer history of regulating investor-owned utility RFPs, RNW has typically engaged more deeply in Oregon planning and procurement processes.

To focus on the past five years, RNW has actively engaged in the OPUC dockets addressing PacifiCorp's 2021 IRP (Docket No. LC 77), 2023 IRP and Clean Energy Plan ("CEP") and 2024 Update to the 2023 IRP and CEP (Docket No. LC 82), and 2025 IRP and CEP (Docket No. LC 85). When the OPUC issued an order in Docket No. LC 82 finding that PacifiCorp had failed to meet its obligation to demonstrate continual progress toward meeting HB 2021's emission-reduction targets,[4] PacifiCorp appealed and RNW intervened in the resulting court case to support the OPUC.[5] RNW also fully participated in the OPUC's spinoff contested-

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[4] *In re PacifiCorp, dba Pacific Power, 2023 Integrated Resource Plan*, Oregon Public Utility Commission Docket No. LC 82, Order No. 24-297 (Aug. 28, 2024).

[5] *PacifiCorp v. OPUC*, Marion County Circuit Court Case No. 24CV51484.

case docket to determine a remedy for PacifiCorp's continual progress issues (Docket No. UM 2345). Finally, RNW has participated in the OPUC dockets overseeing PacifiCorp's (subsequently canceled) 2022 All-Source RFP (Docket No. UM 2193) and 2025 Oregon Situs RFP (Docket No. UM 2383).

RNW similarly has a long history of engagement with PGE's planning and procurement processes. In the past five years, PGE has only filed one full planning document, its 2023 IRP and CEP; RNW actively participated in the development of the plan and the resulting regulatory process (Docket No. LC 80). However, in that same span PGE has run three regulated procurement processes—the 2021 All-Source RFP (Docket No. UM 2166), 2023 All-Source RFP (Docket No. UM 2274), and 2025 All-Source RFP (Docket No. UM 2371). RNW has been an active participant in all three dockets.

RNW's close participation in these planning and policy dockets has given RNW deep familiarity with each utility's views and priorities, as well as the constraints and challenges they face in the dynamic policy and economic landscape in which electric utilities must operate today. This familiarity, in turn, gives RNW insights into potential benefits and pitfalls associated with the proposed transaction.

Finally, RNW works closely with PacifiCorp and PGE on policy and regional issues. Rather than fully elucidate this work, RNW will refer to it as relevant in this and future testimony.

IV. NO-HARM AND NET BENEFIT STANDARD

Q. Please describe the standards you will apply when assessing the proposed transaction.

A. As a preliminary matter, I wish to clarify that—although I am a lawyer—I am providing testimony in this case as an expert witness. I do not offer a response to this question with the intent of providing legal conclusions. Rather, I am doing just what the question suggests: describing the lens through which I plan to assess the proposed transaction.

The Commission in Docket No. U-170970, Order 07 described the development of a standard that includes a threshold requirement that a proposed transaction cause "no harm", followed by a requirement that the proposed transaction demonstrate "net benefits" for customers. This standard is uncontroversial; the Application discusses it at page 13. I agree with the Applicants' assessment of the applicable standard as detailed in the Application.

Accordingly, in reviewing the proposed transaction, I ask two primary questions: Does the proposed transaction cause harm? And will it produce net benefits for customers?

Q. Do these standards include consideration of state policy?

A. Yes. Policy is typically designed and intended to avoid harms and promote benefits. This is true in the abstract, and it is true of specific policies relevant here. For example, the Legislature discussed harms it wished to avoid and benefits it wished to promote in the findings and intent section of CETA. Thus, RCW 19.405.010(3) invokes the "immediate significant threats" climate change poses "to our economy, health, safety, and national security"—harms. RCW 19.405.010(6) discusses benefits including "long-term and short-term public health, economic, and environmental benefits and the reduction of costs and risks[.]" Therefore, if the proposed transaction would jeopardize policy success, then it would likely cause harm. Conversely, if the proposed transaction would promote policy success, that may be evidence to support a finding of net benefits.

V. PLANNING AND CLEAN ENERGY

Q. What is your understanding of PacifiCorp's progress toward its CETA obligations?

A. PacifiCorp's progress toward its CETA obligations is summarized in recent filings in Docket No. UE-250617 regarding PacifiCorp's 2025 CEIP. After previous challenges with CETA implementation, including the Commission's rejection of the company's 2023 Biennial CEIP Update following a contested case, PacifiCorp's recent trajectory has improved. In Docket No. UE-250617, the Commission conditionally approved PacifiCorp's 2025 CEIP, including interim targets of 34% clean energy in 2026 and 2027, 48% in 2028, and 71% in 2029, en route to the "greenhouse gas neutral" 80% standard in 2030.[6] This trajectory depends on the success of PacifiCorp's 2025 Washington Situs RFP, which is directly affected by the proposed transaction.

Q. What is your understanding of Gem's CETA compliance position under the proposed transaction?

A. As a starting point, I am not offering a legal opinion regarding CETA compliance, just a practical review of Gem's position as I understand it. Gem's resources will be different from PacifiCorp's current Washington portfolio, so PacifiCorp's prior

[6] Docket No. UE-250617, Order 01 paragraphs 5 & 39 (Mar. 27, 2026).

planning efforts are not fully and directly relevant to Gem's compliance position. PGE and Gem's Response to TEP-NWEC Data Request 010 indicates that there has been some assessment of compliance paths, including identification of at least one portfolio that includes "new resources to be procured from the ongoing RFP[.]" The Application discusses current efforts to negotiate with shortlisted resources from the Washington Situs RFP. However, parties have yet to see an IRP- or CEIP-style analysis that details the analytical process underlying any particular compliance path, procurement conditions are challenging, and—from a procurement standpoint—there is a very short ramp to 2030.

Q. Have PacifiCorp and PGE explained how resource planning will work under the proposed transaction?

A. No. PGE and Gem's Response to TEP-NWEC Data Request 013 identifies a variety of roles that will be involved in Gem's resource planning process. PGE and Gem's Response to UTC Staff Data Request 017 indicates that "[t]he Integrated Resource Planning (IRP) group will have primary responsibility for modeling and assessing CETA and CCA standards for resource planning." It is not clear whether the referenced IRP group will be a new department of Gem as a standalone utility, whether Gem intends to lean on PGE's existing planning staff, or whether the Joint Applicants are contemplating some other arrangement. PGE and Gem's Response to TEP-NWEC Data Request 010 indicates that "PGE anticipates providing parties a more detailed analysis performed by a third-party" with respect to CETA compliance, while PGE and Gem's Response to TEP-NWEC Data Request 011 references "PGE's portfolio analysis for Gem[.]" RNW (as well as other parties and the Commission) would benefit from a more concrete understanding of how Gem's resource planning will work.

Relatedly, it is not clear whether Gem will use PLEXOS, as PacifiCorp does, use PGE's proprietary modeling tools, or take some other approach. It is difficult to assess the likelihood that Gem will achieve its CETA obligations without a deeper understanding of the Joint Applicants' proposed planning approach.

Q. Please explain why the "how" of resource planning is important.

A. Planning is the core mechanism for achieving certain state policy requirements, including CETA. CETA is explicitly built on the pre-existing IRP process and results in a CEIP. RCW 19.405.060 requires investor-owned utilities to develop and submit CEIPs. RCW 19.405.060(1)(b)(iii) generally requires that a CEIP be "consistent with" an IRP. The Commission reviews CEIPs, and it is this review that can lead the Commission to "recommend or require more stringent targets[.]"[7] Meeting CETA's mandates will require adequate planning; RNW would like to understand whether the Joint Applicants' plans for resource planning are adequate.

VI. INTERCONNECTION AND TRANSMISSION

Q. What is your understanding of PacifiCorp and PGE's proposed approach to interconnection and transmission?

A. The Application includes a narrative explaining certain elements of the transaction that are relevant to interconnection and transmission. Exhibit G sets forth an Electric Transmission Service Plan, and Schedule 2.1(a) lists transferred assets including transmission assets.

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7 RCW 19.405.060(1)(c).

Q. Does the Application provide sufficient information to assess the effects of PacifiCorp and PGE's proposed approach to interconnection and transmission.

A. No. Several important elements of the Application's approach to interconnection and transmission are broad and vague, even viewed through the lens of subsequent discovery adding detail to the Application.

For example, the Joint Applicants do not state whether Gem will become a FERC-jurisdictional transmission utility or explain the regulatory process for any such transition including the potential development of a Gem-specific Open Access Transmission Tariff ("OATT"). Instead, the Joint Applicants use very broad language to indicate what may happen; for example, the Electric Transmission Service Plan indicates that "[t]he Parties will work in good faith to coordinate the operation of transmission interconnections … and the parties will use best efforts to negotiate and execute interconnection amendments or agreements, as needed."[8] This seems to indicate that Gem will have a transmission function that will interconnect to PacifiCorp; however, it leaves ambiguity as to the status of existing generation interconnection requests, studies, and agreements.

The Joint Applicants explain that, after closing, Gem and the transferred resources will remain within the PacifiCorp West balancing authority area until Gem can establish its own balancing authority.[9] They indicate that, during the interim period, Gem will participate in EDAM as its own scheduling coordinator under PacifiCorp's OATT; however, it is unclear what will happen afterward.

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8 Application Exhibit G at 5.
9 Application Exhibit I.

Q. How does this information bear on Renewable Northwest's interests?

A. Interconnection of new generating resources and transmission adequate to deliver power to load are integral to the region's clean energy transition and, ultimately, to CETA compliance. The two are closely related—interconnection of a resource depends in part on the characteristics of the transmission system to which the resource seeks to interconnect. At this time, the transmission system in the Pacific Northwest is highly constrained, creating a bottleneck for new clean resources being developed for Northwest utilities subject to clean energy mandates. In other words, interconnection and transmission are major barriers to getting new projects online and ensuring an adequate pipeline for lowest reasonable cost resource acquisition.

Accordingly, RNW needs to better understand the Joint Applicants' plans to identify whether the proposed transaction will create unnecessary barriers—harm—that could be mitigated through conditions. For example, resources with existing interconnection and transmission rights on PacifiCorp's transmission system that will be transferred to Gem should not be adversely affected by the transaction, in RNW's view. The same can be said for rights on Bonneville Power Administration's system that are associated with assets included in the transfer.

VII. SINGLE VERSUS MULTI-STATE STRUCTURE

Q. What is your understanding of Gem's corporate structure under the proposed transaction?

A. The Application indicates that "PGE will be the majority owner and hold a controlling interest … in Gem[.]"[10] However, "Gem will operate as a separate, regulated entity

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[10] Application at 9.

and will be managed through a governing board separate from the PGE board of directors[.]"[11]

Q. Do you have any preliminary opinions about this approach?

A. Yes. I am open-minded about the benefits and drawbacks of the proposed transaction; however, as a preliminary matter I am concerned that operating Gem as an independent, single-state utility may result in the loss of certain benefits associated with PacifiCorp's multi-state structure and the multi-state structure that could result if PGE and Gem were to function as a single multi-state utility.

Q. Please explain.

A. A standalone utility will have a smaller transmission system than a combined utility. Gem's proximity to the Mid-C trading hub will likely provide significant benefits, but those benefits could be more significant if they were part of a larger transmission system.

Similarly, a smaller, standalone utility will have less diverse loads and resources than a larger, combined utility. Gem's service territory is north and east of PGE. This geographic diversity affords the potential to unlock diversity benefits from a different load profile (spreading out the evening ramp due to different sunset times, for example) and allow Gem greater access to different resources.

Accordingly, RNW is interested in seeing more analysis from the Joint Applicants regarding the rationale for the proposed standalone utility and an identification of any benefits associated with the proposed structure.

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[11] Prefiled Direct Testimony of Angelica Espinosa, Exh. AE-1T at 15.

VIII. <u>CONCLUSION</u>

Q. Does this conclude your testimony?

A. Yes.