

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 48

In the Matter of

PORTLAND GENERAL ELECTRIC

2009 Integrated Resource Plan

Group Comments on Staff's Proposed
Order

The Citizens' Utility Board, Renewable Northwest Project, Oregon Environmental Council, NW Energy Coalition and Angus Duncan (the "Group") appreciate the opportunity to comment on Staff's Final Comments and Recommendations and Draft Proposed Order.

In Response Comments filed on September 1, 2010, this Group along with several other members of the public interest community (the "Joint Parties") urged the Public Utilities Commission (PUC) not to acknowledge Portland General Electric Company's (PGE's) BART I plan for operation of the Boardman coal plant through 2040. The Group strongly supports Staff's recommendation that the PUC decline to acknowledge BART I.

The Joint Parties also asked the PUC to give stakeholders and PGE time to fashion a broadly supported closure plan that addressed important values and could satisfy the Department of Environmental Quality (DEQ), Environmental Quality Commission (EQC) and Environmental Protection Agency (EPA). During the last two months, the Group and PGE have made progress toward achieving a broadly supported plan. The letters attached to these comments, and further described below, describe a framework for a path forward on which the Group and PGE have agreed. However, a more inclusive dialogue—one that includes PGE and all of the organizations that comprised the Joint Parties—remains necessary to achieve a Boardman plan that has broad support within the public interest community. In short, the comments here reflect only the views of the Group defined above, and not of the public interest community as a whole.

The Group agrees with Staff that all of the BART I portfolios "impose too great of a risk on ratepayers from future federal and state regulation of carbon emissions."¹ The Group strongly supports Staff's recommendation that the PUC *not* acknowledge BART I—the 2040 option.

Consistent with the attached letters, the Group supports a plan similar to BART III, so long as it is part of a comprehensive package that satisfies the Clean Air Act and makes significant emissions reductions, meets the least-cost/least-risk standard, and is accompanied by commitments to a good faith process, within PGE's next IRP process, to

¹ Staff Final Comments and Recommendations, at page 3.

develop a limited number of carbon reduction candidate resource portfolio options for replacing Boardman and meeting the utility's resource needs.

However, the Group does *not* support Staff's recommendation that the PUC acknowledge "BART III" and require PGE to come back with an IRP update if EQC does not adopt "BART III" precisely. DEQ currently is evaluating alternative rules that may improve upon both PGE's BART III and DEQ's 2018 option. The PUC's acknowledgment order should be flexible enough to accommodate the refinements that PGE and stakeholders have worked to make possible.

To accommodate a reasonable range of potential refinements that DEQ and EQC could make, the Group urges the PUC to acknowledge any Boardman plan that includes the following elements:

- ends coal-fired operations *no later than* December 31, 2020;
- uses the technology proposed in both BART III and DEQ's 2018 option to reduce emissions significantly and satisfy flexible emissions limits that DEQ, EQC and EPA approve as compliant with the Clean Air Act;
- requires PGE, in its next IRP process, to develop with stakeholders a limited number of viable, low-carbon IRP candidate resource portfolio options that meet the utility's resource needs while achieving specific CO₂ reduction targets, as described in the attached letters.

A robust evaluation of low-carbon replacement resources must occur to maximize the environmental benefits of ending Boardman's coal-fired operations. This type of evaluation is critical to the Group's support for ending coal-fired operations no later than the end of 2020, as part of the comprehensive plan described in the attached letters. Low-carbon planning is also required by the PUC's IRP Guideline 8, which needs to be addressed in a much more comprehensive fashion. The Group strongly believes that greenhouse gas and criteria pollutant reductions consistent with Oregon's climate goals and Clean Air Act standards are compatible with safe, reliable and affordable utility electricity service, and that PGE, in its disposition of Boardman and in its next IRP, can serve as a leader in achieving these outcomes, and providing a clean energy future for Oregon.

We urge the PUC to adopt as part of its acknowledgment order the commitments PGE has made to the Group to engage all stakeholders in developing low-carbon portfolios to be evaluated as part of its next IRP. Specifically, the Group requests that the PUC incorporate in its acknowledgment order a requirement similar to the following, which mirrors the Group's agreement with PGE: *"If EQC approves BART III or a plan that is substantially similar to BART III and acceptable to PGE, PGE must lead a collaborative effort in its next IRP process to develop CO₂ reduction portfolios in consultation with stakeholders to replace Boardman's generation and meet the utility's resource needs."* Adopting such a requirement will require PGE to satisfy IRP Guideline 8 and support the efforts of PGE and stakeholders to reach a durable, economically sound, and environmentally responsible path forward for Boardman.