



March 7, 2025

To: Representative John Lively, Chair, House Climate, Energy, and Environment Committee
Representative Bobby Levy, Vice Chair, House Climate, Energy, and Environment Committee
Representative Mark Gamba, Vice Chair, House Climate, Energy, and Environment Committee
Members of the House Climate, Energy, and Environment Committee

From: Emily Griffith, Oregon Policy Manager, Renewable Northwest
Katie Chamberlain, Regulatory Manager, Renewable Northwest
Diane Brandt, Policy and Legislative Affairs Director, Renewable Northwest

Re: Opposition to HB 3247 Regarding Replacement of Generating Resources

Chair Lively, Vice Chair Levy, Vice Chair Gamba, and Members of the Committee,

Renewable Northwest ("RNW") is a regional, non-profit renewable energy advocacy organization based in Oregon, dedicated to decarbonizing the electricity grid by accelerating the integration of renewable electricity resources. Our members include renewable energy developers and businesses, environmental organizations, and consumer groups.

Thank you for the opportunity to offer our concerns on HB 3247, which proposes the Oregon Public Utility Commission ("OPUC") enforce a reliability and dispatchability requirement on utility procurement of new resources prior to retirement of existing generating resources. **Renewable NW opposes HB 3247** as it creates unnecessary requirements for OPUC regulated utilities, duplicates the current utility resource planning process, and unnecessarily constrains utilities' ability to select the best resources for serving Oregonians and meeting Oregon's energy policies.

Resource Adequacy is Paramount in Current Utility Regulatory Process

It appears the intent of HB 3247 is to ensure that Oregon has the reliable electricity it needs now and in the future - a concept which is currently and regularly addressed in the regulatory construct of resource adequacy ("RA"). RA, a regulatory standard that ensures there are sufficient resources to meet electricity needs, is best and already addressed through existing utility planning processes at the OPUC. In the 1980s, Oregon became one of the first states to require utilities to file Integrated Resource Plans ("IRPs") and continues to lead the nation in requiring robust planning practices driven by "least-cost, least-risk" principles. A key component of the least-cost, least-risk calculus is to ensure that utilities have enough energy supply to meet

demand across a wide range of conditions, including for peak load events¹ and facility retirements.

Current least-cost, least-risk planning allows Oregon utilities to identify the resources that will serve Oregon customers reliably at the lowest reasonable cost. Should a utility resource plan identify a dispatchable resource as the least-cost, least-risk option in its IRP, that indicates it has been selected after comparison with all other available resources and is found to be least-cost and least-risk. However, requiring the acquisition of a dispatchable resource may force the IRP to function outside of the “least-cost, least-risk” framework which ensures economic optimization, risk mitigation, and system flexibility. A rigid, 1:1 dispatchable replacement mandate compromises this framework. Artificially constraining and limiting a utilities’ ability to select resources based on the industry-standard least-cost, least-risk approach can have impacts on affordability and future reliability as it is not allowing a utility to consider the full range of available resource options.

All resource portfolios that utilities construct through the IRP process meet RA requirements. Requiring utilities to acquire replacement resources on a 1:1 basis, as this bill proposes, is at odds with industry best practice that comprehensively assesses projected loads, existing generation, and energy and capacity needs across a twenty-year planning horizon, with a focus on near-term decisions. The IRP is an extensive process that results in a comprehensive strategic plan that requires OPUC scrutiny and acknowledgement.

OPUC Already Sets High Bar for Resource Adequacy, Emphasizes Diversity of Resources

The OPUC recently finalized new RA requirements for investor-owned utilities and electricity service suppliers.² These requirements incentivize utilities to participate in the Western Resource Adequacy Program (“WRAP”) - the West-wide reliability planning and compliance program overseen by Western Power Pool - which leverages regional coordination and geographic and resource diversity across the West to ensure regional reliability. Oregon's three investor-owned utilities - Portland General Electric, PacifiCorp, and Idaho Power - are already committed to the WRAP. Regardless, if a utility chooses not to join the WRAP, the OPUC requires that the utility participate in the stringent state RA program.³

Pursuing a diverse resource mix -- through participation in WRAP, for example -- that is inclusive of geographic diversity is a more holistic and stronger approach to RA than simply ensuring 1:1 replacement of resources. The requirements in HB 3247 would only add unnecessary and burdensome constraints on utilities that would force them to select certain resources and make it more difficult to reliably and affordably serve customers in the process.

¹ When electricity demand is at its highest, such as during heat waves or cold snaps

² [Order No. 24-133 in Docket No. AR 660](#)

³ <https://www.sanger-law.com/opuc-adopts-new-rules-related-to-resource-adequacy/>

We appreciate the opportunity to share our concerns with HB 3247 which proposes unnecessary and duplicative regulatory barriers that have the potential to raise costs and risk reliability by limiting the ability to procure least-cost, least-risk resources to serve customers. These additional requirements will only make it harder to reliably and cost-effectively meet the electricity needs of Oregonians and Oregon's energy policies.

Thank you for your consideration,

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