

Energy Imbalance Market (EIM) Governance Review Committee

Statement of Interest

Bob Jenks

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Introduction

I appreciate the opportunity to apply for a position on the EIM Governance Review Committee and am grateful for the support of the stakeholders who have urged me to apply.

For more than 25 years, I have served as the Executive Director of the Oregon Citizens' Utility Board (CUB). CUB was established under Oregon law (ORS 774) to represent the interests of residential consumers before the Oregon Public Utility Commission, the Oregon Legislature, and other forums. CUB is a non-profit, non-governmental organization. As such, CUB identifies both as a consumer advocate and as a public interest non-profit.

CUB is a strong believer in protecting the economic interests of residential customers, but we have long rejected the idea that this puts us at odds with environmental advocates. Smart energy policy can both protect customers economic interests as well as the environment. Our work in 2009 and 2010 helped lead to the agreement to close Portland General Electric's (PGE) Boardman coal plant in 2020, which was the first agreement to close a modern coal plant in the nation. This effort also saved customers nearly \$200 million. CUB has long been a leader in promoting robust energy efficiency. We supported the creation of both the Energy Trust of Oregon to run utility energy efficiency programs, and the Northwest Energy Efficiency Alliance (NEEA) to focus on efficient market transformation. These efforts have led to Oregon average household electric usage declining by 20% since 1990, reducing customers' bills by hundreds of millions of dollars.

The EIM, and, potentially, the expanded day-ahead market (EDAM), are additional innovations that have the potential to reduce the environmental impact of energy production, to reduce the economic risk of carbon emissions to utility customers, and to directly reduce power costs charged to customers by making the grid more efficient. CUB has worked with Oregon utilities to understand the EIM, establish ratemaking mechanisms that support cost-recovery for the utilities while ensuring customers receive economic benefits associated with the EIM, and to encourage other Northwest entities, such as the Bonneville Power Administration to join EIM.

Experience

Economic Analysis. In 1994, I submitted testimony in PGE's general rate case. Since then, I have submitted analysis, comments, and testimony in most major proceedings at the Oregon Public Utility Commission (OPUC) or have supervised CUB staff that have submitted analysis, comments and testimony. I have authored testimony or comments on a wide range of issues, including utility rates, power costs, prudence review of generation and transmission investments,

mergers and acquisitions, resource planning, pension recovery, renewable energy investments, net metering, community solar programs, smart grid reports and applications, demand response, electric vehicles, electric deregulation and restructuring, coal plant retirements, and EIM.

Public Policy Stakeholder Collaboration. In 1997, Enron purchased PGE and was proposing full retail deregulation of Oregon's electric system. CUB realized that it would take a broad coalition of organizations with alternative policies to challenge Enron. We launched a coalition of environmental, consumer, low income, and community-based organizations called the Fair and Clean Energy Coalition which proposed an alternative electric restructuring plan which would ultimately become the basis for Oregon's Electric Restructuring legislation (SB 1149). The lessons taken from the collaboration and coalition building during that time allowed us to influence public policy in a broad manner and laid the groundwork for CUB's effective advocacy and collaborative spirit for years to come. For example:

Oregon's Renewable Portfolio Standard (RPS). In 2007, there were a variety of proposals being advocated for to implement an RPS in Oregon. CUB brought together utilities, environmental groups and other stakeholders to negotiate a consensus version, which ultimately became the RPS (SB 838).

Boardman phase-out. In 2009, PGE was considering a \$500 million environmental retrofit to its Boardman coal plant in order to comply with Regional Haze Rules under the federal Clean Air Act. CUB identified how the DEQ's Regional Haze requirements and the OPUC Least Cost Planning requirements could be met by a commitment to close the plant early and avoid the costly retrofit. Collaboration with environmental groups and PGE was essential to getting the DEQ and OPUC support for the plan which was the first agreement to close a coal plant in the country. Diverse stakeholder interests—including the utility—were able to come together to achieve a common goal that benefitted both customers and the environment.

Coal to Clean. In 2015, environmental and climate activists began pursuing a ballot measure to eliminate coal from Oregon electric resource mix and replace it with clean energy. CUB approached PGE and PacifiCorp—Oregon's two largest electric utilities—to urge them to come to the table to determine whether stakeholders could develop a compromise that eliminated coal in a more flexible manner that reduced both utility and customer risk. The negotiations were successful and led to the Coal to Clean Legislation (SB 1547) that phased out coal in Oregon and doubled the RPS to 50%.

Cap-and-Trade. Legislation to implement carbon cap-and-trade in Oregon was going nowhere during the 2017 legislative session. CUB was approached by some environmental advocates and some legislators and asked if we could talk to the utilities to try to develop a compromise. CUB worked with environmental groups and utilities to develop a compromise approach to the electric sector's role in cap-and-trade that became the basis for this year's legislation, which nearly passed due to the support of utilities, environmental groups, and CUB. We note that the effort to pass this legislation continues.

Policy Advocacy. Over the years, I have regularly spoke at conferences concerning a variety of issues including electric vehicle policies, decarbonizing the electric grid, smart grid investments, and market transformation, including these in recent years:

2019 EPRI Electrification U.S. Symposium: Customer Needs for Building and Vehicle Electrification

2019 NASUCA Summer Conference: The New Oregon Trail -- Decarbonize the Electric Grid

2019 Midwest Energy Solutions Conference: Market Transformation in the Pacific Northwest

2017 Northeast States for Coordinated Air Use Management, Models for Utility Investment in Charging Infrastructure

2016 NARUC Conference: Oregon's EV Framework

2016 EV Roadmap: Regulatory Models for Transportation Electrification

Conclusion

I appreciate the opportunity to apply for the EIM Governance Review Committee. The EIM has shown that there are benefits from regional markets – that the fragmented western grid is inefficient. I believe that my combination of economic analysis, consumer advocacy and public interest advocacy make me an ideal candidate to represent consumer advocates and public interest groups.

I do have some travel constraints. CUB is a non-profit and I manage the budget. Due to PacifiCorp's Multi-State Process, we project to overspend our 2019 travel budget. This makes it difficult for me to take on more travel requirements that are not reimbursed. However, I believe that through phone and video calls, and limited travel, I can be effective in this role.

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