

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
 A Statement of Need and Fiscal Impact accompanies this form.

Public Utility Commission	860
Agency and Division	Administrative Rules Chapter Number

Diane Davis	550 Capitol Street NE, Suite 215, Salem, OR 97301	(503) 378-4372
Rules Coordinator	Address	Telephone

**RULE CAPTION**

In the Matter of a Rulemaking regarding Integrated Resource Planning Guidelines for Energy Utilities.

**Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.**

January 9, 2009	9:30 a.m.	Main Hearing Room Public Utility Commission 550 Capitol Street NE – 1 <sup>st</sup> Floor Salem, Oregon	Lisa D. Hardie
Hearing Date	Time	Location	Hearings Officer

Hearing Date	Time	Location	Hearings Officer
<i>Auxiliary aids for persons with disabilities are available upon advance request.</i>			

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

**ADOPT:** 860-027-0400

**AMEND:**

**REPEAL:**

**RENUMBER:**

**AMEND & RENUMBER:**

Stat. Auth.: ORS Chapter 183, ORS 756.040, ORS 757.262

Other Auth.:

Stats. Implemented: ORS 756.040 & 757.262

**RULE SUMMARY**

In its docket UM 1056, the Commission ordered that rulemaking be initiated to implement Guideline 3 adopted in its Order No. 07-002, as amended by Order No. 07-047. The proposed rule sets guidelines applicable to investor-owned energy utilities for the filing, reviewing and updating of Integrated Resource Plans. The proposed rule also clarifies the expectations of the Commission when, in its annual update to the Commission, a utility seeks acknowledgement of changes to its previously filed Integrated Resources Plan Action Plan.

Commission Staff contact for technical information is Lori Koho ([lori.koho@state.or.us](mailto:lori.koho@state.or.us)).

The Commission encourages participants to file written comments before the hearing date, allowing time for other participants to consider and respond to the comments before the deadline. For information about how to file your comments, please contact Diane Davis at [diane.davis@state.or.us](mailto:diane.davis@state.or.us) or (503) 378-4372. Filed comments will be available online at <http://apps.puc.state.or.us/edockets/docket.asp?DocketID=15123>.

To request a dial-in number to monitor the hearing by telephone (listen only), contact Diane Davis at [diane.davis@state.or.us](mailto:diane.davis@state.or.us) or (503) 378-4372 before close of business January 7, 2009. If you wish to offer comment at the hearing, please plan to attend in person.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

### January 9, 2009, Close of Business

**Last Day for Public Comment** (Last day to submit written comments to the Rules Coordinator)

	Diane Davis	11/07/2008
Signature	Printed name	Date

\*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

Secretary of State

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

**Public Utility Commission****860**

Agency and Division

Administrative Rules Chapter Number

**In the Matter of a Rulemaking regarding Integrated Resource Planning Guidelines for Energy Utilities.**

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: **a Rulemaking regarding Integrated Resource Planning Guidelines for Energy Utilities.**Statutory Authority: **ORS Ch. 183, ORS 756.040 & ORS 757.262**

Other Authority:

Stats. Implemented: **ORS 756.040 & ORS 757.262**

Need for the Rule(s):

In its docket UM 1056, the Commission ordered that rulemaking be initiated to implement Guideline 3 adopted in its Order 07-002, as amended by Order No. 07-047. This rulemaking proposes an administrative rule to implement that guideline. The proposed rule sets guidelines applicable to energy utilities for the filing, reviewing and updating of Integrated Resource Plans.

Documents Relied Upon, and where they are available:

Order No. 07-002 available at <http://apps.puc.state.or.us/orders/2007ords/07-002.pdf>Order No. 07-047 available <http://apps.puc.state.or.us/orders/2007ords/07-047.pdf>Order No. 08-339 available at <http://apps.puc.state.or.us/orders/2008ords/08-339.pdf>

Comments from stakeholders available at

[http://www.puc.state.or.us/PUC/admin\\_rules/workshops/Workshop.shtml](http://www.puc.state.or.us/PUC/admin_rules/workshops/Workshop.shtml)

Fiscal and Economic Impact:

The economic impact to the Public Utility Commission is expected to be negligible because the resulting Commission activities are part of the routine Commission operations and can be handled at existing staffing levels. The proposed rules do not directly impact other state agencies or local governments. The utilities subject to the rule will experience the costs associated with more frequent reporting to the Commission. The proposed rule should help to ensure that the plans and investments of the utilities are in the best interests of ratepayers.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The annual update provision of the proposed rule will impact the Public Utility Commission regulated investor-owned energy utilities, and members of the public including those with interest in the utilities' integrated resource plans. More frequent reporting means that the energy utilities will experience an increase in the costs associated with reporting. Members of the public with interest in the energy utilities' plans may experience the additional costs of participating in the public review process. The cost of compliance for the Public Utility Commission is expected to be negligible because the work can be performed at existing staffing levels. Other state agencies, units of local government and the public will not experience any cost of compliance.

## 2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

There are no small businesses subject to this proposed rule; the proposed rule applies to investor-owned utilities regulated by the Public Utility Commission.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

There are no small businesses subject to this proposed rule; the proposed rule applies to investor-owned utilities regulated by the Public Utility Commission. One of the subject energy utilities estimated that the cost to comply with the proposed rule ranges from \$9,000 to \$12,000 per year. In formulating its estimate, it considered the increased workload due to potential data requests, labor, materials, and travel. Because of the various factors that are involved in what a subject energy utility may have to include in its report, the potential magnitude of these additional costs cannot be quantified at this time.

c. Equipment, supplies, labor and increased administration required for compliance:

Small businesses are not subject to this proposed rule. As stated in 2.b., because of the various factors that are involved in what a subject energy utility may have to include in its report, the potential magnitude of these additional costs cannot be quantified at this time.

How were small businesses involved in the development of this rule?

Small businesses were not involved in the development of this rule. Commission stakeholders were invited to provide written comment on the draft proposed rule and its fiscal and economic impact. The rule applies to investor-owned utilities regulated by the Public Utility Commission.

Administrative Rule Advisory Committee consulted?: **NO**.

If not, why?:

The Commission Staff solicited written comments from stakeholders.

	Diane Davis	11/07/2008
Signature	Printed name	Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310. ARC 925-2007

## Integrated Resource Planning Guidelines for Energy Utilities

860-027-0400

### Integrated Resource Plan Filing, Review, and Update.

(1) Scope and Applicability: This rule applies to investor-owned energy utilities. Upon application by an entity subject to this rule and for good cause shown, the Commission may relieve it of any obligation under this rule.

(2) As used in this rule, “Integrated Resource Plan” or “IRP” means the energy utility’s written plan satisfying the requirements of Commission Order Nos. 07-002, 07-047 and 08-339, detailing its determination of future long-term resource needs, its analysis of the expected costs and associated risks of the alternatives to meet those needs, and its action plan to select the best portfolio of resources to meet those needs.

(3) An energy utility must file an IRP within two years of its previous IRP acknowledgment order or as otherwise directed by the Commission. If the energy utility does not intend to take any significant resource action for at least two years after its next IRP is due, the energy utility may request an extension of its filing date from the Commission.

(4) The energy utility must present the results of its filed IRP to the Commission at a public meeting prior to the deadline for written public comment.

(5) Commission staff and parties must complete their comments and recommendations within six months of IRP filing.

(6) The Commission must consider comments and recommendations on an energy utility’s IRP at a public meeting before issuing an order on acknowledgment. The Commission may provide the energy utility an opportunity to revise the IRP before issuing an acknowledgment order.

(7) The Commission may provide direction to an energy utility regarding any additional analyses or actions that the energy utility should undertake in its next IRP.

(8) Each energy utility must submit an annual update on its most recently acknowledged IRP. The update is due on or before the acknowledgment order anniversary date. The energy utility must summarize the annual update at a Commission public meeting. The energy utility may request acknowledgment of changes, identified in its update, to the IRP action plan. The annual update is an informational filing that:

(a) Describes what actions the energy utility has taken to implement the action plan to select best portfolio of resources contained in its acknowledged IRP;

(b) Provides an assessment of what has changed since the acknowledgment order that affects the action plan to select best portfolio of resources, including changes in such factors as load, expiration of resource contracts, supply-side and demand-side resource acquisitions, resource costs, and transmission availability; and

(c) Justifies any deviations from the action plan contained in its acknowledged IRP.

(9) As soon as an energy utility anticipates a significant deviation from its acknowledged IRP, it must file an update with the Commission, unless the energy utility is within six months of filing its next IRP. This update must meet the requirements set forth in section (8) of this rule.

(10) If the energy utility requests Commission acknowledgement of its proposed changes to the action plan contained in its acknowledged IRP:

**(a) The energy utility must file its proposed changes with the Commission and present the results of its proposed changes to the Commission at a public meeting prior to the deadline for written public comment;**

**(b) Commission staff and parties must file any comments and recommendations with the Commission and present such comments and recommendations to the Commission at a public meeting within six months of the energy utility's filing of its request for acknowledgement of proposed changes;**

**(c) The Commission may provide direction to an energy utility regarding any additional analyses or actions that the utility should undertake in its next IRP.**

**Stat. Auth.: ORS Ch. 183, ORS 756.040 & ORS 757.262**

**Stats. Implemented: ORS 756.040 & ORS 757.262**

**Hist.: NEW**