

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 614

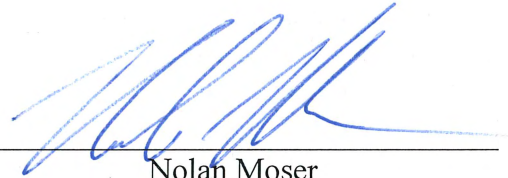
In the Matter of

In the Matter of Rulemaking Related to a
New Load Direct Access Program.

MEMORANDUM

At the July 17, 2018 Regular Public Meeting, the Commission reviewed a revised draft of New Load Direct Access proposed rules. The revised draft was provided to Commissioners for the purpose of reviewing and deliberating on any appropriate policy direction to Staff, Stakeholders, or the Administrative Hearings Division in this docket. The Commission requested that I file in this docket the revised draft proposed rules and request that Stakeholders provide comment on those draft rules. I remind Stakeholders that comments are due August 1, 2018.

Dated this 17th day of July, 2018, at Salem, Oregon.



Nolan Moser
Administrative Law Judge

Attachment: Revised draft proposed rules

860-038-0700

Definitions for New Large Load Direct Access Program

(1) Unless otherwise defined in section (2), the definitions set forth in OAR 860-038-0005 are applicable to New Large Load Direct Access Programs.

(2) As used in the New Large Load Direct Access Program rules:

(a) “Affiliated Consumer” means a consumer, 50 percent or more of the voting shares of which are held by another consumer, engaged in the same line of business as the 50 percent or greater shareholder.

(b) “Average Historic Cost-of-Service Load” means the average monthly Cost-of-Service Eligible Load during the 60 month period beginning five years prior to the date a consumer gives binding notice of participation in the New Large Load Direct Access Program.

(c) “Cost-of-Service Eligible Load” means the load of a consumer that is eligible for a cost-of-service rate.

(d) “Existing Consumer” means a consumer that is or has been a cost-of-service consumer of an electric company within the prior five calendar years.

(f) “Existing Site” means a site that receives or has received energy in the last five years that is eligible for a cost-of-service rate.

(g) “Existing Load Shortage” means the larger of zero or a consumer’s Average Historic Cost-of-Service Load plus Incremental Demand Side Management less the average Cost-of-Service Eligible Load during the previous 60 months.

(h) “Existing Load Shortage Transition Adjustment” means a charge or credit equal to:

(A) 75 percent of fixed generation costs plus net variable power cost transition adjustments during the first five years after enrollment in the New Large Load Direct Access Program; and

(B) 100 percent of fixed generation costs plus net variable power cost transition adjustments after the first five years of enrollment in the New Large Load Direct Access program.

(i) “Incremental Demand Side Management” means the effective net impact of energy efficiency measures and demand response implemented at a facility after a consumer gives binding notice of participation in the New Large Load Direct Access Program.

(j) “Load Shifting” means the relocation of facilities, equipment, processes, manufacturing, employees or any economic activity for the deliberate purpose of increasing load at locations participating in the New Load Direct Access Program from locations not subject to the New Load Direct Access Program.

(k) “New Large Load” means any load associated with a new facility, an existing facility, or an expansion of an existing facility, which:

(A) Has never been contracted for or committed to in writing by a cost-of-service consumer with an electric company; and

(B) Is expected to result in a 10 average megawatt or more increase in the consumer’s power requirements during the second and third years after new operations begin.

(l) “New Large Load Direct Access Program” means a direct access program offering by an electric utility that meets the requirements set forth in the New Large Load Direct Access Program section of the Division 38 rules.

(m) “New Large Load Direct Access Service Transition Rate” means a rate that is applied to load served under the New Large Load Direct Access Program.

860-038-0710

Requirement to Enable a New Load Direct Access Program

An electric company that enables direct access service must enable a New Load Direct Access Program for New Large Load consumers, subject to the requirements set forth in this New Large Load Direct Access Program section of the Division 38 rules.

860-038-0720

Transition Rates

(1) In addition to all other charges applicable to a New Large Load, an electric company must charge New Large Load Direct Access consumers a New Large Load Direct Access Service Transition Rate that recovers the following:

- (a) 20 percent of the fixed generation costs for five years; and
- (b) All reasonable costs of administering the New Load Direct Access Program.

(2) Consumers receiving service under the New Large Load Direct Access program must also pay an Existing Load Shortage Transition Adjustment on the sum of the Existing Load Shortage for the consumer and the Existing Load Shortage of all of the consumer's Affiliated Consumers. A consumer may be exempted from charges made under this section if the consumer can demonstrate that the change in load in question is not due to load shifting activity. The electric company tariff must include provisions detailing procedures and requirements for the demonstration.

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New Large Load Eligibility Requirements

(1) Only New Large Loads that meet the following requirements are eligible to participate in the New Large Load Direct Access Program:

(a) The New Large Load must be separately metered unless the consumer can demonstrate an alternative means of measuring the New Large Load with comparable accuracy.

(b) New Large Load Direct Access Program is only available for consumers contracting for energy resources that do not include any allocation of coal-fired resources as defined in ORS 757.518 (1)(b)(B) after January 1, 2030.

(c) New Large Load Direct Access consumers that are found in violation of the provisions of this section must be enrolled in the general cost-of-service opt out program in the following direct access enrollment window.

(A) A New Large Load Direct Access consumer must provide to the Commission upon request contracts or other materials necessary to investigate compliance with this section.

(B) An Electric Service Supplier that contracts for or supplies resources in the New Load Direct Access Program must provide an annual report to the Commission confirming the source of resource supplies for customers participating in the New Load Direct Access Program.

(d) Each New Large Load consumer must notify the electric company of its intent to enroll in the New Large Load Direct Access Program and opt out of cost-of-service rates at the earlier of either:

(A) A binding written agreement with the utility to receive distribution service for eligible new load, or

(B) One year prior to the expected starting date of the incremental load.

(2) Subsection (1)(d) is waived for the eligible New Large Load consumer that has entered into a written agreement with an electric company prior to September 30, 2018, indicating its

intent to receive distribution service from an electric company and for which the electric company has not planned to provide generation supply service.

(3) If the actual load of a facility served under the New Large Load Direct Access Program does not meet or exceed 10 average megawatts in any 12 month period during the first 36 months of receiving service, and the shortfall in load is not attributable to equipment failure, energy efficiency, load curtailment or load control, or other causes outside the control of the New Large Load Direct Access Program consumer, the consumer must be enrolled in a direct access program of the consumer's choice.

(a) The electric company must petition the Commission to de-enroll the consumer under this provision, and

(b) The consumer will be provided an opportunity to demonstrate to the Commission that its reduction in load to less than 10 average megawatts was the result of equipment failure, energy efficiency, load curtailment or load control, or other causes outside the control of the New Large Load Direct Access Program consumer.

860-038-0740

Nonresidential Standard Offer, Default Supply and Return to Cost of Service

(1) New Large Load Direct Access Program consumers are subject to the requirements set forth in OAR 860-038-0250 and OAR 860-038-0280, except as set forth in section (3) of this rule.

(2) A New Large Load Direct Access Program consumer may return to cost-of-service rates under the same rates and terms of service as the electric company's current cost-of-service opt-out offers for direct service consumers, except as set forth in section (3).

(3) To mitigate the rate impact to existing cost-of service consumers, an electric company must request Commission approval of a forward-looking rate adder applicable to New Large Load Direct Access Program consumers returning to cost-of-service rates or rates under OAR 860-038-0250 and 860-038-0280 when the electric company forecasts that:

(a) The return to rates under OAR 860-038-0250 and 860-038-0280 for an individual or group of New Large Load Direct Access Program consumers will result in a significant increase to existing cost-of-service rate; or

(b) The return to a cost-of-service rate for an individual or group of New Large Load Direct Access Program consumers will result in a significant increase to existing cost of service rate.

(4) The Commission will consider the rate adder under Section (3) of this rule as part of a tariff filing.

(5) The electric company must file annual updates that justify any rate adder developed according to this rule or any updates to the approved rate adder.

860-038-0750

New Large Load Direct Access Program Caps

(1) Each electric company must make 6 percent of the electric company's weather normalized annual load in calendar year 2017 available to New Large Load and Affiliated New Large Single Load.

(2) Section (1) of this rule sunsets following the fifth calendar year that the New Large Load Direct Access Program has been in place.

REVISED DRAFT PROPOSED RULES

(3) Each electric company must file a status report to the Commission within two months of total enrollment in New Large Load Direct Access Programs reaching 25 MWa, 50 MWa, 100 MWa and 80 percent of the enrollment limit.