

February 29, 2024

Docket No. UM 2024: Evaluation of Straw Proposals

This filing outlines some principles on how Staff will evaluate parties' straw proposals and the arguments made in this case. Staff is not proposing any specific policies at this time, but describes some of the factors to consider when reviewing parties' proposals.

Direct Access Program Structure

Any proposal to alter the overarching structure of Direct Access should also address any risks and cost shifting that could burden cost-of-service customers. One of the primary issues in this case is whether a cap on the size of Oregon's Direct Access program is warranted to protect other customers from risk, but this cannot be determined in a vacuum. Proposals that address caps must also address specific levers that influence the level of risk put on cost-of-service customers and the competitiveness of a Direct Access program. For instance, Staff believes that at least the following issues may directly influence any policy related to caps:

- Changes to election windows and transition timing.
- Transition adjustments, opt-out charges, and other potential non-bypassable charges.
- The amount of non-curtable load in the Direct Access program.
- The amount of time a customer can remain on default supply if an ESS fails to provide service.
- The charges associated with remaining on default supply service or returning to cost-of-service.
- Eligibility thresholds for certain sizes of Direct Access customers.
- Resource adequacy safeguards such as backstop capacity charges or other tools.

Staff will review straw proposals under the premise that a party proposing to remove caps should demonstrate how risks to cost-of-service are sufficiently mitigated by also addressing many of the policy issues above. For example, removing caps may require changes to transition adjustments or stricter default supply policies if risks to cost-of-service customers could go unmitigated.

Similarly, proposing to implement or keep a cap requires analysis of the same issues. While protecting other customers is essential, this investigation must avoid implementing excessive barriers to taking Direct Access service. Proposals that add restrictions on Direct Access must be justifiable with regards to the issues above. Staff will consider these levers to determine if a cap, or a different approach, is the necessary tool in a party's proposal.

Additional Issues

Staff looks forward to reviewing additional issues in straw proposals that were not discussed above. Staff understands that certain issues, such as aspects of operationalizing preferential curtailment, may be discussed in detail by some parties more than others given their expertise and relevancy.

Staff will contact parties shortly to determine dates and topics for a settlement conference, if feasible.



Please contact the undersigned with any questions,

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