

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2024

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS,

Petition for Investigation Into Long-Term Direct
Access Programs.

**NOTICE OF COMMISSION WORKSHOP
AND AGENDA
MORNING AND AFTERNOON
SESSIONS**

The Public Utility Commission of Oregon will hold a Commission workshop in this docket as follows:

DATE: August 20, 2020

MORNING SESSION TIME: 9:00 a.m. – 11:30 a.m.

AFTERNOON SESSION TIME: 1:00 p.m. – 3:30 p.m.

LOCATION: WEB-BASED VIDEO FORMAT TBD

The Commission appreciates the Phase I comments and understands the widely divergent points of view held by stakeholders on the present state and future direction of direct access. The workshop will be an interactive session with stakeholders to help the Commission shape the remaining process toward efficiently reaching a concrete and well-informed decision.

The Commission reviewed the proposed agenda submitted by Staff on July 20, 2020. Utilizing the proposal, the Commission presents the modified, two-part agenda below in order to develop and define the remaining process and elements of this case. Parties are encouraged to submit brief responses ahead of the workshop as specifically requested in the agenda below.

The morning session will allow Commissioners and stakeholders to discuss a proposed statement of the ultimate questions to be answered in the docket, the categories of costs and benefits identified in Phase I comments around which parties' testimony should be structured, and a proposed process for the remainder of the investigation.

The afternoon session will begin with a brief summary presentation of the Northwest Power Pool (NWPP) resource adequacy program development, followed by a discussion

of how a Commission proceeding can effectively complement work at the NWPP and be structured to efficiently produce results.

Non-Contested Case Designation: We note that at this current stage of this docket, this proceeding is a non-contested case. This case will proceed as a non-contested matter until such time as the Commission determines the appropriate process for addressing the issues in this docket.

If you have questions, please contact the Administrative Hearings Division by telephone (503-378-6678) or by e-mail (puc.hearings@state.or.us).

Dated this 10th day of August, 2020, at Salem, Oregon.

Megan W. Decker

Letha Tawney

Mark R. Thompson

Chair

Commissioner

Commissioner

IF YOU HAVE A DISABILITY AND NEED ACCOMMODATION TO PARTICIPATE IN THIS EVENT, PLEASE LET US KNOW (503) 378-6678, Oregon Relay Service: 7-1-1, or e-mail puc.hearings@state.or.us

ATTACHMENT A

MORNING SESSION AGENDA (9:00 a.m. – 11:30 a.m.):

- I. (9:00-9:10) Introduction and Agenda Overview.
- II. (9:10-9:20) Review Commission dockets in which Direct Access issues are presented. A list will be provided before the workshop; please provide any feedback to ensure the Commission's list reflects all dockets related to UM 2024.
- III. (9:20-10:00) Investigation Objectives. Are the questions posed below an adequate statement of the ultimate questions the Commission should answer in this docket? **If not, please provide brief comments or revisions for discussion in advance of the workshop.**
 1. Does current implementation of Oregon's direct access law raise concerns about unwarranted cost-shifting (in either direction) or other relevant harms to the public interest? Would expansion of the current programs (in total size and customer reach) result in any additional concerns related to unwarranted cost-shifting or other relevant harms to the public interest?
 2. Can unwarranted cost shifting or other relevant harms be mitigated through direct access program design? What mechanisms should be used, how should such mechanisms be structured, and what are the legal or practical barriers to implementing them?
 3. With such mechanisms in place, are unwarranted cost-shifting or other relevant harms to the public interest mitigated to the degree that the Commission should expand access to direct access programs?
 4. What evidence has been presented, or could be presented in this docket or a future docket, in order to prove that cost shifting is occurring or is not occurring, would occur or would not occur under an expansion of the program, and whether any mitigation mechanisms are or would be effective at preventing unwarranted cost shifting?
- IV. (10:00-11:00) Investigation Process. Is the proposal below an efficient and organized path for parties to create an adequate record for the Commission to answer the questions presented above?

1. Two rounds of simultaneous testimony addressing the following:
 - a. Clarification of the status quo – What costs do participants in long-term direct access currently cover? What costs are not currently covered? What costs should be covered? Please address:
 - i. Transmission and distribution rates
 1. State jurisdictional distribution rates
 2. FERC-jurisdictional rates
 - ii. Transition costs and credits
 - iii. Public policy charges and requirements
 - b. Demonstration of cost-shifting and other relevant harms – Demonstrate through evidence and analysis that cost shifting or other relevant harms could or do exist in the following categories, or could or would exist if direct access programs were expanded.
 - i. Fixed costs of supply
 - ii. Fixed costs of flexibility
 - iii. Resource adequacy and provider of last resort
 - iv. Public policy implementation (including RPS, community solar, PURPA, net metering, storage programs)
 - v. Greenhouse gas reduction targets
 - vi. Grid modernization (including demand response, electric vehicle infrastructure, energy efficiency)
 - vii. Equity / low-income programs
 - viii. Decommissioning and accelerated depreciation
 - ix. Regulatory assessments
 - x. Utility least cost/risk planning
 - xi. Other
 - c. Mitigation mechanisms – Describe mechanisms the Commission could adopt to mitigate unwarranted cost-shifting or other relevant harms (e.g., modified transition charges, modified caps, capacity credits, revised non-bypassable charges, resource adequacy framework, participation in utility-offered programs, greenhouse gas reporting).

***Note: possible accelerated process for resource adequacy framework development is addressed separately, below*
 - d. With such mechanisms in place, should the Commission consider modifying or expanding direct access programs, including caps and thresholds?
 - e. What other policy or technical considerations are relevant for the Commission to consider before determining whether the direct access program should be expanded or modified?
2. Legal briefing covering all relevant issues, including:
 - a. What are the Commission’s obligations related to direct access and competitive markets? What specific obligations, if any, are there with respect to expanding the existing program, and with respect to

- implementing a requirement or opportunity for direct access customers to provide for their own resource adequacy?
- b. What is “unwarranted” cost-shifting and what other asserted harms to the public interest may be addressed under the direct access law?
- c. What legal barriers, if any, may prevent the Commission from adopting certain mitigation mechanisms?
- 3. Commission decision on presence or absence of unwarranted cost-shifting, mitigation mechanisms to be modified or further developed (if any), and program changes to be pursued upon adoption of mitigation mechanisms (if any).
- 4. Rulemaking process if needed to refine any new or modified mitigation mechanisms and direct access program design elements.

V. (11:00-11:30) Commissioner Questions on Phase I comments, including areas of agreement and lessons learned from other states.

AFTERNOON SESSION AGENDA (1:00 p.m. – 3:00 p.m.)

- VI. (1:00-1:20) Northwest Power Pool (NWPP) Resource Adequacy (RA) Program Summary Presentation. To ensure a minimum understanding among all parties, we ask utilities and/or NWPP to provide an overview of RA program development, and to provide information, if available, on how the program may or may not accommodate or inform the provision of resource adequacy by direct access customers on their own behalf, or the assignment of resource adequacy costs from utilities to direct access customers (discussed further in the questions below).
- VII. (1:20-2:30) Discussion of Process for Developing an RA Framework for Oregon Direct Access. The Commission will engage parties in discussion of the following questions. **Parties may file brief written comments (no more than three pages) in advance to introduce their answers to these questions.**
 - 1. Given the potential for duplication of efforts and inconsistency of conclusions with NWPP's development of an RA program, how should the Commission approach development of a framework to ensure Oregon direct access customers fairly contribute to resource adequacy?
 - a. What would a binding NWPP program require participants to do and when is the soonest it could be enacted?
 - b. What is the likelihood that NWPP program participation will be at the load-serving entity level, allowing Oregon’s electricity service suppliers (ESSs) to be direct participants? When will that be determined?
 - c. Could fair ESS contribution to RA be achieved by (i) requiring ESSs to participate in the NWPP program (assuming participation is at the

- LSE level); or (ii) by placing procurement and reporting requirements on ESSs equivalent to those adopted for the NWPP program (assuming NWPP program participation is at the BA level)?
- d. If the above would not be sufficient to meet your definition of fair contribution to RA, what is missing? Are there specific requirements *not* being considered or that may potentially *not* be adopted in a NWPP program that the Commission would have to impose, in your view, to achieve fair ESS contribution to RA? If so, when should the Commission consider those?
2. In Order No. 20-002, the Commission expressed a view that a decentralized RA procurement framework for ESSs is most consistent with direct access if it is coupled with a program design that achieves the obligation to sufficiently support and ensure reliability.¹
 - a. Should the Commission focus first in this proceeding on the specific design details necessary to make a decentralized procurement framework successful?
 - b. If not, how can the parties avoid developing a record that presents parties' arguments for and against a centralized/decentralized framework, but in which parties fail to adequately engage with the details of the non-preferred alternative?
 3. Given discussion of the above questions, can and should a RA framework phase be accelerated, with detailed development occurring during or simultaneously with the evidentiary stage proposed above?

VIII. (2:30 – 3:00) Commissioner closing remarks and discussion of next steps.

¹ *In the Matter of Portland General Electric Company Advice No.19-02 (ADV 919) New Load Direct Access Program*, Docket No. UE 358, Order No. 20-002 at 8 (Jan 7 2020).