

VIA ELECTRONIC FILING

June 12, 2023

Public Utility Commission of Oregon 201 High Street SE, Suite 100 P.O. Box 1088 Salem, Oregon 97301

RE: UM 2143 — Idaho Power's Comments Regarding the Investigation into Resource Adequacy in the State – Staff's Draft Rules Proposal

Attention: Filing Center,

Idaho Power Company ("Idaho Power" or "Company") appreciates the opportunity to provide comments to the Public Utility Commission of Oregon ("Commission") on Staff's Draft Resource Adequacy Rules Proposal and proposed next steps in Docket No. UM 2143 – Investigation into Resource Adequacy in the State.

I. Background

On January 12, 2021, the Commission opened UM 2143 with the goal of identifying the following: (1) the need and potential urgency for the Commission to act on resource adequacy ("RA"); (2) areas where a state-level program can fill gaps, ensure reliability, and work cohesively with regional efforts; and (3) the appropriate levels of complexity and structure necessary to address areas of RA concern.

On October 15, 2021, Staff filed an initial Straw Proposal outlining potential standards and requirements for a state RA program. From December of 2021 through January of 2023, Staff facilitated several workshops and rounds of comments for stakeholders to collaborate and contribute to the development of state RA requirements. Staff provided a final Updated Straw Proposal on February 17, 2023. Stakeholders then had an opportunity to provide comments in response to the updated proposal and engage in further discussion at Staff's workshop on April 6, 2023. In response to feedback and discussion regarding the updated proposal, Staff filed its Draft Resource Adequacy Rules Proposal on May 18, 2023. Staff's draft rules largely reflect updates to the straw proposal presented in the April 6, 2023, workshop and aim to further clarify timelines of RA filing and compliance requirements.

II. WRAP Status

On August 31, 2022, Western Power Pool ("WPP") filed a tariff with the Federal Energy Regulatory Commission ("FERC") requesting approval of the Western Resource Adequacy Program ("WRAP") and its proposed framework for implementation and operation. On February 10, 2023, FERC approved the WRAP tariff and underscored the importance of potential benefits of a regional program and the enhanced reliability and RA that WRAP would bring. Following the tariff's approval, the WPP Board of Directors approved the slate of nominees to serve on the new Independent Board of Directors, which includes one board chairperson and four board members with various executive and consultative backgrounds in the electric industry.

In December of 2022 and January of 2023, WPP received formal commitments from 20 utilities, including Idaho Power, to move forward with the proceeding phases of WRAP.⁴ On June 1, 2023, these committed WRAP participants commenced initial account and connectivity testing in preparation for the first non-binding operational phase of the program.

III. Comments on Staff's Draft Rules Section 3 – Electric Company Informational Filing Requirements

In the section below, Idaho Power offers comment and additional context on specific aspects of Staff's draft rule language. Additionally, the Company has developed a redline of the draft rules, included as Attachment A to these comments. The Company's suggested redlines do not modify the spirit or objectives of the rules but, rather, seek to add clarity on future RA filing requirements and ensure the rules are consistent with the type and duration of information available to WRAP-participating utilities.

¹ ER22-2762, Northwest Power Pool submits tariff filing per 35.1: Western Power Pool Western Resource Adequacy Program Tariff (submitted Aug. 31, 2022).

² FERC, ER22-2762-000 National Order, p. 10. ("Through increased coordination, we find that the WRAP has the potential to enhance resource adequacy planning, provide for the benchmarking of resource adequacy standards, and more effectively encourage the use of western regional resource diversity compared to the status quo.")

³ WPP, Western Power Pool Approves Nominees for New Independent Board of Directors (Feb. 21, 2023). <u>WPP</u> (westernpowerpool.org)

⁴ Id.

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Comments on Part (b)

Staff's proposal:

"As part of their Informational Filing, Regional Participants must include their Qualified Regional Program's most recent Advisory Forecast and the Electric Company's most recent data submission to its Qualified Regional Program. This may be included as Appendix chapter." 5

Idaho Power's Comments:

The Company appreciates Staff's new modification that clearly permits regional participants to provide informational filings as an appendix chapter in their Integrated Resource Plan ("IRP"). While Idaho Power supports this addition, the Company still seeks clarification on what Staff expects the "Advisory Forecast" and "data submission" to include.

While the Company recognizes the proposed definition of "Advisory Forecast" is broad and allows flexibility with respect to specific filing requirements, Idaho Power is aware of only one WPP modeling output that would qualify as Staff's defined "Advisory Forecast" – that is the WPP Advisory Forward Showing Planning Reserve Margin ("Advisory FSPRM"). For each WRAP summer and winter operating season, WPP conducts an Annual Assessment that includes LOLE and ELCC studies for the WRAP footprint and subregions. From this Annual Assessment, WPP produces an Advisory FSPRM for each WRAP subregion. No information from this output is specific to individual participant capacity or load. Rather, the Company understands the Advisory FSPRM simply to be single planning reserve margin ("PRM") outlook for the entire <u>subregion</u>.

Figure 1 below visually represents the type of information the Company anticipates WPP will include in future Advisory FSPRMs: separate PRM, Non-Coincident Peak ("Peak") load, and Coincident Peak ("CP") load estimates for each subregion in each month of the summer and winter operating seasons, respectively. The Company provides Figure 1 as an example to clarify the extent of "Advisory Forecast" information available for WRAP participants to provide in their informational filing.

⁵ Staff's Draft Resource Adequacy Rules Proposal, p. 4.

⁶ Staff's Draft Resource Adequacy Rules Proposal, p. 3. ("Advisory Forecast" means any modeling outputs created by a Qualified Regional Program that are presented but not used as part of the Qualified Regional Program's binding elements.)

Figure 1

	January	February	March	November	December	Winter
Base LOLE	0.036	0.023	0.000	0.000	0.042	0.100
Non-Coincident Peak (MW)	40,819	39,789	35,362	36,356	40,914	
Coincident Peak Load (MW)	39,594	38,696	34,379	35,218	39,570	
Base UCAP CP PRM (%)	22.9%	24.0%	39.4%	36.7%	22.9%	
Base UCAP NCP PRM (%)	19.3%	20.6%	35.5%	32.4%	18.8%	
Base UCAP Capacity Requirement (MW)	48,680	47,968	47,911	48,133	48,625	
Alternate 0.1 LOLE	0.028	0.018	0.010	0.010	0.034	0.100
Non-Coincident Peak (MW)	40,819	39,789	35,362	36,356	40,914	
Coincident Peak Load (MW)	39,594	38,696	34,379	35,218	39,570	
Alternate 0.1 UCAP CP PRM (%)	23.5%	24.5%	31.2%	27.1%	23.4%	
Alternate 0.1 UCAP NCP PRM (%)	19.7%	21.1%	27.5%	23.1%	19.3%	
Alternate 0.1 UCAP Capacity Requirement (MW)	48,880	48,168	45,101	44,753	48,825	-

Regarding Staff's proposed "data submission" for the informational filing, the Company infers this to mean the most recent Forward Showing from each WRAP participant—and, based on this inference, the Company proposes a language adjustment to the draft rules' definition of Forward Showing and filing requirement language in Section 3. A WRAP Forward Showing summarizes the PRM, 50th percentile ("P50") load, resource contributions, and transmission rights for an individual participant prior to a particular operating season.

As long as no confidential information is included in the Advisory FSPRM or Forward Showing, WRAP participants are able to provide these submissions as part of their informational filing. However, the Company emphasizes that the data included in the Advisory FSPRM and the Forward Showing are not comparable in their respective timeline or applicability, nor do they sync to the proposed rule language. The Advisory FSPRM is only provided at the <u>subregion</u> level, while the Forward Showing is at the <u>participant</u> level. Therefore, the two cannot be compared as a means to demonstrate a regional participant's Forward Showing compliance relative to the Advisory FSPRM. Further, the Advisory FSPRM is provided <u>five years</u>⁸ prior to each operating season, while the Forward Showing is provided <u>nine months</u> prior to each operating season. So, the most recent Advisory FSPRM data will not match the forecast period or the entity-specific data in a WRAP Forward Showing.

⁷ The Company's understanding is that WPP intends to make future Advisory FSPRMs publicly available on their website.

⁸ Based on the Company's most recent communications with WPP, the Advisory FSPRM is expected to be published five years prior to each operating season. However, it is still undecided as to when or how frequent this information will be made available.

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The Company does not emphasize the incomparability of the Advisory FSPRM and Forward Showing so as to oppose complying with this informational filing requirement. Rather, the Company is concerned these data submissions, when compared to each other, may provide limited insight into WRAP participants' RA status. WRAP participants are able to provide the information that Staff proposes in part (b), but the information, if intended to be compared to each other or treated as a sequence of information to give a near- to medium-term picture, will not support a comprehensive assessment of an individual participant's RA status. It is worth noting that Idaho Power considers such a comprehensive RA view to be the specific function and outcome of the IRP.

Comments on Part (c)

Staff's proposal:

"The Informational Filing must include:

- i. A monthly P50 Peak Load Forecast over a period of the greater of four years or the longest available timeline from a Qualified Regional Program using methods consistent with outputs of the Qualified Regional Program's Advisory Forecast
- ii. A monthly forecast of transmission requirements over a period of the greater of four years or the longest available timeline from a Qualified Regional Program using methods consistent with outputs of the Qualified Regional Program's Advisory Forecast."

Idaho Power's Comments:

Any load forecast or transmission information consistent with the outputs of the WRAP Advisory FSPRM will be provided at the footprint or subregion level, as described above, and would only demonstrate NCP and CP load forecasts for WRAP's summer and winter months only, as demonstrated in Figure 1. Meanwhile, each participant's WRAP Forward Showing provides P50 load forecast and transmission data specific to that participant for the months of the applicable operating season. Therefore, if Staff seeks P50 load forecast and transmission information specific to an individual participant, the informational filing should only require data that is consistent with the Forward Showing rather than the Advisory FSPRM. If that is the case, P50 load forecast and transmission data will be available according to the Forward Showing timeline. That is, nine months ahead of a particular operating season, not four years. Figure 2 below includes the WRAP Forward Showing submittal deadlines and the applicable seasons to further demonstrate the timelines available for Forward Showing information.

Figure 2

Forward Showing Submission Date	Forward Showing Season
Sep-22	Winter 2022-2023
Oct-22	Summer 2023
Mar-23	Winter 2023-2024
Oct-23	Summer 2024
Mar-24	Winter 2024-2025
Oct-24	Summer 2025
Mar-25	Winter 2025-2026
Oct-25	Summer 2026
Mar-26	Winter 2026-2027
Oct-26	Summer 2027

IV. RECOMMENDATION & CONCLUSION

Idaho Power appreciates Staff's added provision regarding filing RA information in an appendix to the IRP. However, the Company continues to seek clarification on Staff's proposed informational filing requirements. Specifically, the Company is concerned about the incomparability of the WRAP "Advisory Forecast" and "data submissions" Staff proposes. While WRAP participants can provide their Advisory FSPRM and Forward Showing, the two filings, when compared to each other, will not support a comprehensive or insightful assessment of an individual participant's RA status. Further, the load forecast and transmission data included in the Advisory FSPRM and Forward Showing are different in their timeline and applicability, and Staff's current proposed filing requirement is not clear on what information they seek from participants.

For these reasons, Idaho Power raises its concerns regarding the proposed informational filing requirements and, as a possible solution, offers the proposed redline edits to the draft rule language in Attachment A. The Company's redlines to Staff's draft rules largely echo the comments provided above and provide minor modifications to the proposed language and definitions. Further, the proposed redlines offer language the Company sees as clarifying and in alignment with the information and timelines available to WRAP participants.

As previously stated, the Company supports Staff's effort to align state RA requirements with the requirements of WRAP and appreciates the updates Staff has made to its proposal. Idaho Power seeks to clarify the draft rule language and modify it appropriately to ensure that the best available information is supplied to yield an insightful RA assessment. As such, the Company looks forward to continued discussion and collaboration at Staff's upcoming workshop and in the remaining proceedings of this docket.

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Sincerely,

Abby Johnson

Regulatory Policy and Strategy Analyst

Idaho Power

cc: OPUC Filing Center

Attachment A: Draft Resource Adequacy Rules from OPUC Staff with Idaho Power Redline Proposals

1. Scope and Applicability of Rules

- a. The rules in this division prescribe the filing requirements for informational provision of Resource Adequacy forward showings, and the filing requirements information and binding elements for the Public Utility Commission of Oregon (Commission) administered Resource Adequacy program.
- b. Upon request or its own motion, the Commission may waive any of the rules in this division for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

2. Definitions for this Division

- a. "Electric Company" has the same meaning as ORS 757.600(13).
- b. "Electric Service Supplier" has the same meaning as ORS 757.600(16).
- c. "Load Serving Entity" means an Electric Company or Electric Service Supplier.
- d. "Qualified Regional Program" means a Commission-approved authorized regional reliability planning and compliance program that addresses Resource Adequacy through processes and conditions established in a FERC-approved tariff.
- e. "Resource Adequacy" means the expected ability of a Load Serving Entity to supply aggregate electric power and energy to meet the requirements of their consumers at all times.
- f. "Regional Participant" means a Load Serving Entity that is a participant in or committed to a Qualified Regional Program.
- g. <u>"Forward Showing" means any data, forecasts, or submittals required by a Qualified</u>

 Regional Program to support program compliance by a Regional Participant.
- hg. "State Participant" means a Load Serving Entity that is not a Regional Participant.
- ih. "State Program" means the Resource Adequacy compliance program administered by the Commission applicable to State Participants.
- ji. "Binding Forward ShowingData Submission" means a filing used by a State Participant to show compliance with the State Program.
- kj. "Integrated Resource Plan" means an Electric Company's written plan to satisfy the requirements of OAR 860-027-0400 and Commission Order Nos. 07-002, 07-047, and any future orders impacting filing requirements.
- "Emissions Planning Report" means a filing made by an Electric Service Supplier to show compliance with ORS 757.649(f).

Commented [Idaho Power]: Idaho Power suggests adding the definition of Forward Showing specific to Regional Participants and modifying the data requirement definition for State Participants, as indicated below.

Commented [Idaho Power]: Because "Forward Showing" is a specific term of art used in the Western Resource Adequacy Program, Idaho Power suggests this term modification for the requirements of State Participants.

- <u>m</u>ł. "Informational Filing" means a <mark>non-binding discussion of a is a written explanation of a</u>
 Load Serving Entity's strategy to address Resource Adequacy.</mark>
- <u>nm</u>. "Advisory Forecast" means any modeling outputs created by a Qualified Regional Program that are presented but not used as part of the Qualified Regional Program's binding elements.
- on. "P50 Peak Load Forecast" means a peak load forecast prepared on a basis, such that the actual peak load is statistically expected to be as likely to be above the forecast as it is to be below the forecast.
- pe. "Planning Reserve Margin" means an increment of supply needed to meet conditions of high demand in excess of the applicable peak load forecast and other conditions such as higher resource outages, or lower availability of resources, expressed as a percentage of the applicable peak load forecast.
- eg. "Compliance Resource" means the resource(s) used by a State Participant to meet the load requirements of the Binding Forward Showing.
- er. "Qualified Capacity Contribution" means the portion of the nameplate capacity of a compliance resource that can be expected to provide capacity to meet customer demand calculated using a Commission_ or Qualified Regional Program_-approved methodology.
- 3. Electric Company Informational Filing Requirements
 - An Electric Company must provide an Informational Filing with the Commission as a part of their Integrated Resource Plan.
 - b. As part of their Informational Filing, Regional Participants must include their Qualified Regional Program's most recent Advisory Forecast and the Electric Company's most recent data-Forward Showing submission to its Qualified Regional Program. This may be included as Appendix chapter.
 - c. The Informational Filing must include:
 - . A monthly P50 Peak Load Forecast over a period of the greater of four years or the longest available timeline from consistent with the duration of the most recent Forward Showing submission to a Qualified Regional Program using methods consistent with outputs of the Qualified Regional Program's Advisory Forecast
 - ii. A monthly forecast of transmission requirements over a period of the greater of four years or the longest available timeline from consistent with the duration of the most recent Forward Showing submission to a Qualified Regional Program using methods consistent with outputs of the Qualified Regional Program's Advisory Forecast.

Commented [Idaho Power]: The inclusion of "non-binding" in Staff's draft language could cause confusion with the binding/non-binding dates with respect to the Regional Program.

Commented [Idaho Power]:

If the Regional Participants submits the Forward Showing information it has already supplied to the Qualified Regional Program, then it will be consistent with the methodology of the Qualified Regional Program. As a result, Idaho Power suggests striking this language as unnecessary.

Commented [Idaho Power]: Idaho Power proposes striking for the same reason as noted above.

- d. An Electric Company's Integrated Resource Plan filing must have a chapter <u>or appendix</u> that incorporates the Informational Filing and contains a discussion about how the Informational Filing interacts with the overall resource strategy.
- e. An Electric Company must describe any notable deviations between the load forecast, capacity contributions, or Planning Reserve Margin contained in a Qualified Regional Program's Advisory Forecast its supplied Forward Showing and what is used in the Electric Company's Integrated Resource Plan analysis and associated action plan.

4. Electric Service Supplier Informational Filing Requirements

- Electric Service Suppliers must file an Informational Filing with the Commission every other year.
- Electric Service Suppliers may file their Informational Filing as part of their Emissions
 Planning Report filing.
- Regional Participants must include their Qualified Regional Program's most recent
 Advisory Forecast and the Electric Service Supplier's most recent data submission to its
 Qualified Regional Program as part of their Informational Filing.
- d. The Informational Filing must include:
 - A monthly P50 Peak Load Forecast over a period of the greater of four years or the longest available timeline from a Qualified Regional Program using methods consistent with the output of a Regional Program's Advisory Forecast.
 - ii. A monthly forecast of transmission requirements over a period of the greater of four years or the longest available timeline from a Qualified Regional Program using methods consistent with the output of a Regional Program's Advisory Forecast.
- An Electric Service Supplier's Emissions Planning Report filing must have a chapter, section, or appendix that incorporates the Informational Filing and contains a discussion about how the Informational Filing impacts the overall resource strategy.
- f. As part of the forecast of monthly P50 Peak Load Forecast and monthly forecast of transmission requirements, an Electric Service Supplier must use current load levels or provide reasonable substitutes of the load forecast. An Electric Service Supplier is responsible for demonstrating that the substitute load forecast is reasonable.

5. State Program Requirements

- a. State Participants must file a Binding Forward Showing Data Submission with the Commission for approval no later than April 1 of every odd-numbered year. A State Participant's initial binding forward showing must be filed no later than April 1, 2025.
- b. The Commission shall set a Planning Reserve Margin for State Participants no later than February 1 of a filing year.

Commented [Idaho Power]: Idaho Power's understanding is that Staff is seeking to compare a Company's resource adequacy view between its IRP and the Qualified Regional Program. If this is correct, then the Advisory Forecast will not offer the basis for comparison, as that forecast, to Idaho Power's understanding, is simply regional footprint Planning Reserve Margins, not specific Regional Participant information.

- The Commission shall set a Qualified Capacity Contribution for each resource type <u>specific to State Participants' resources</u> no later than February 1 of a filing year.
- The Commission Staff and Parties should complete its compliance review for each State Participant within 90 days of filing the Binding Forward ShowingData Submission.
- A State Participant shall provide its monthly P50 Peak Load Forecast for the two-year period beginning July 1 of the filing year as part of their Binding Forward Showing.
- f. A State Participant must demonstrate that its Compliance Resources meet 95% of its monthly forecasted P50 load for twelve months beginning July 1 of the filing year and 80% of the monthly forecasted P50 load for the following twelve months plus a Commission-determined Planning Reserve Margin each month.
- g. A State Participant must demonstrate that it has firm transmission rights to deliver 75% of the Compliance Resources from generation source to load sink. A State Participant may request a waiver of a portion of the transmission requirement if it can demonstrate that at least one of the following conditions applies:
 - i. The State Participant is experiencing enduring transmission constraints,
 - ii. Future firm ATC is expected,
 - iii. An applicable portion of the State Participant's existing transmission service rights is expected to be derated or out-of-service, or
 - iv. Expected counterflow from another State Participant supports the State Participant's transmission of energy from generation source to load sink.
- h. If the Commission deems that a State Participant's Binding Forward Showing Data
 Submission does not meet the criteria for approval, the Commission shall identify deficiencies and give the State Participant 30 days to remedy their Binding Forward Showing Data Submission to meet the criteria for approval.
 - i. A State Participant whose plan is not approved 30 days after the Commission identified deficiencies shall be subject to a fine, revocation of Electric Service Supplier certification, or some other appropriate penalty determined by the Commission. The fine shall be assessed on a per-MW basis for capacity or transmission deficiencies.
- j. The Commission shall set the fine by February 1 of a filing year to provide adequate incentive for the Load Serving EntityState Participant to acquire resources to meet its transmission and load obligations.

Commented [Idaho Power]:

Staff and the Commission may wish to define this term.