

VIA ELECTRONIC FILING

November 18, 2021

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 Process Proposal and RA Solution Straw Proposal

Dear Filing Center,

Idaho Power Company (“Idaho Power” or “Company”) appreciates the opportunity to provide comments to the Public Utility Commission of Oregon (“Commission”) Staff’s Process Proposal and Resource Adequacy Solution Straw Proposal.

On January 12, 2021, the Commission opened Docket No. UM 2143 – Investigation into Resource Adequacy in the State 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.

Parties to this case have been asked to evaluate Staff’s two potential RA process paths, as well as offer commentary on draft and preliminary state-level RA program details. While Idaho Power offers comment below specific to Staff’s request, the Company also believes there is a third option. Given the advanced stage of the Northwest Power Pool’s (“NWPP”) RA effort—the Western Resource Adequacy Program (“WRAP”), there could be significant value in pausing this investigation until the regional effort launches.

NWPP has completed the primary design phase of RA program development and is targeting winter 2022-2023 for the first forward showing. If the WRAP’s launch is successful, a state-specific RA effort would have limited utility. UM 2143 could either be closed or reframed to complement and support NWPP’s effort going forward.

Idaho Power’s primary objective with this third proposal is efficiency. It would be a shame to duplicate effort when NWPP and regional participants have devoted so much time and energy into building a robust regional RA program. However, if pausing this case is not possible, then the Company offers the following comments based on Staff’s current proposals.

BACKGROUND

Since the start of the investigation, Staff conducted a level-setting workshop, which included a presentation on the status of NWPP’s WRAP. Staff also provided an opportunity for participants to present straw proposals for an Oregon-specific RA solution. Based on the original goals of this docket and the additional insights provided by the level-setting workshop, Staff published a straw process proposal on October 15, 2021. The proposal included a preferred Option (“Option 1”) with two phases: (1) a near-term informational filing in UM 2143, followed by (2) a rulemaking to develop a long-term state RA solution.

Under Option 1, Staff proposes to begin Phase 1 with an informational filing from all Load Responsible Entities (“LRE”) in UM 2143. The informational filing will show the current levels of RA in the state over the next five years. These filings are intended to help parties refine straw proposals to fill gaps in state RA and help the Commission right-size the solution it adopts. Staff proposes to synthesize the informational filing data and present aggregate findings about the status of RA across LREs in a written report followed by a workshop.

If the informational filings reveal the need for urgent, binding action to ensure near-term RA in the state, Staff will recommend that the Commission open a rulemaking to adopt an RA standard and program—equivalent to the NWPP standard—as an interim measure, with compliance demonstrated through seasonal forward-showing filings that are acknowledged by the Commission.

If the informational filings reveal that there is not a need for urgent, binding action, but a need for a long-term RA program, stakeholders will use these insights to develop a long-term RA solution that can operate in concert with a regional program and fill any gaps identified in the state and region. Following completion of its proposed Phase 1, Staff envisions a streamlined rulemaking process targeting the beginning of 2023 for Commission adoption of final rules.

Importantly, Staff also presented a Phase 1 Alternative (“Alternative Process”). The Alternative Process simplifies the implementation of an Oregon-specific RA program by having the state adopt the NWPP WRAP standard and program design by reference, then opening a long-term RA solution rulemaking.

At the October 27, 2021, workshop Staff's proposals were presented and discussed with UM 2143 stakeholders.

COMMENTS

Idaho Power appreciates Staff's flexibility in proposing an alternate approach and strongly encourages adoption of the Alternative Process.

RA is a concern that crosses state and even national borders. While a state-driven solution by the Commission is certainly well-intended, the development of an RA requirement separate from broader geographic context could result in increased administrative cost without commensurate incremental reliability benefits for customers. Oregon is only one part of a whole for any implemented RA effort—and the entire landscape, with state, regional, and international parties at the table, is required to develop a robust and successful RA program.

Idaho Power recommends leveraging the existing work done by the NWPP to continue to make progress on RA. Launched in 2019, the NWPP RA effort is an industry-led collaborative involving more than 20 entities in the West, representing approximately 57,300 megawatts of load, and spanning nine states and one Canadian province committed to the program's next phase. Additional participants are expected.

The Company, as well as numerous other participants, have devoted considerable resources to develop a comprehensive NWPP-driven RA solution. Staff's preferred Option 1 would likely divert resources and focus from the current NWPP effort, potentially slowing or even stopping progress.

Much of the groundwork that Staff proposes to cover in Option 1 has been well-trod by the NWPP. Retracing these efforts could hamper the ability of NWPP to continue to make strides—and delays in the NWPP effort amount to real risks for reliability and cost. To date, significant progress has been made in developing both the forward showing and operational components of an RA program under the NWPP effort.

Further, Staff's Option 1/Phase 1 proposal to require an informational filing from all LREs in UM 2143 would take away resources currently focused on actually assuring RA in the LRE's service areas. Idaho Power and other members of the NWPP are fully engaged in ensuring short-term RA while developing the framework for the WRAP. Adding significant additional informational reporting requirements under UM 2143 would be counterproductive to LRE efforts at a time when efficient action is especially vital.

UM 2143 is in preliminary stages of development. In contrast, the WRAP is an already developed, comprehensive effort to enhance and increase reliability for the region; the effort prioritizes maintaining existing responsibilities for reliable operations, while observing existing frameworks for planning, purchasing, and delivering energy.

By adopting the NWPP RA standard and design, the Commission capitalizes on the work completed to date, minimizes duplication of effort, and provides additional impetus to drive the WRAP toward completion and implementation.

CONCLUSION

The Company believes that the Commission and Staff can best achieve the three stated goals of the UM 2143 investigation through monitoring and participation in the NWPP's WRAP. Further, the success of the WRAP is dependent upon participation by Investor-Owned Utilities and Electricity Service Suppliers. Therefore, ensuring the point of compliance resides at the Load Serving Entity is key. The NWPP effort provides the most efficient method of developing an Oregon-specific, long-term RA solution by minimizing overlap and duplication of effort.

For these reasons, the Company encourages Staff and the Commission to consider pausing this investigation pending the launch of NWPP's RA program. But if this docket must proceed without delay, Idaho Power supports the Alternative Process proposed by Staff.

Idaho Power appreciates the opportunity to comment on this matter and looks forward to working with the Commission and stakeholders going forward.

Sincerely,



Alison Williams
Regulatory Policy and Strategy Advisor
Idaho Power

cc: OPUC Filing Center