

VIA ELECTRONIC FILING

November 21, 2022

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 Updated Straw 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 Updated Straw Proposal, recommendations, and proposed next steps in Docket No. UM 2143 – Investigation into Resource Adequacy in the State.

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 a [Straw Proposal](#) outlining potential standards and requirements for a state RA program. Staff then held a workshop on December 14, 2021, to facilitate discussion around the merits and data requirements of a prospective RA filing as outlined in the straw proposal. Following this workshop, Staff sought data from Load Responsible Entities (“LREs”) under Commission jurisdiction to assess the level of RA in the state. On January 25, 2022, LREs, including Idaho Power, confidentially provided the requested information. Staff aggregated and analyzed this data and then issued a report on March 24, 2022, followed by an opportunity for review in a workshop on April 8, 2022.

In response to stakeholder comments and workshop discussions on Staff’s initial straw proposal and report, Staff filed an [Updated Straw Proposal](#) on September 23, 2022. This updated straw proposal suggests binding RA standards, or “straw rules,” for LREs under Commission jurisdiction. These straw rules outline different RA reliability and compliance standards for Oregon-based investor-owned utilities (“IOU”), Oregon electric service suppliers (“ESS”), and Western Power Pool (“WPP”) non-participants.¹ Staff proposes to develop entity-specific reliability thresholds and a broader compliance process through a formal rulemaking.

WRAP STATUS

The WPP effort, launched in 2019, 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. The Company, as well as numerous other participants, have devoted considerable resources to develop a comprehensive WPP-driven RA solution, called the Western Resource Adequacy Program (“WRAP”).

The WRAP filed a tariff with the Federal Energy Regulatory Commission (“FERC”) on August 31, 2022, marking significant progress in the implementation of the first regional RA program.² Following this filing, WPP gave a public webinar [presentation](#) on September 20, 2022, covering their analysis of the first non-binding phase of WRAP.³ Their analysis highlighted the value of a regional RA program in the Pacific Northwest. Because the WRAP has yet to implement any binding RA requirements, we do not yet know whether an additional RA program would be warranted or not.

COMMENTS ON STAFF’S STRAW PROPOSAL

Idaho Power agrees with Staff that this issue does not call for immediate Commission action. Moreover, Idaho Power agrees with Staff’s observation “that administering a rigorous RA program could require greater investment in Staff time and analytical tools.”⁴ The Company believes the required investment from Staff and stakeholders to develop and implement a state RA program would be significant and likely misplaced at this particular time, while WRAP is in its foundational stages.

¹ *Id.*, p. 6. (“Staff proposes a slightly more binding standard for non-WPP participants with the understanding that non-WPP participants have a higher RA risk without the benefits of regional coordination.”)

² ER22-2762, Northwest Power Pool submits tariff filing per 35.1: Western Power Pool Western Resource Adequacy Program Tariff (submitted Aug. 31, 2022).

³ Western Power Pool, Western Resource Adequacy Program: Review of Preliminary, Non-Binding WRAP Regional Data of the Current Participating Footprint (Sept. 20, 2022). <https://www.westernpowerpool.org/news/recording-of-20220920-public-webinar-preliminary-w>

⁴ UM 2143 Staff proposal, p. 1 (Sept 23, 2022).

As noted in prior comments, Idaho Power is concerned about developing a state-specific program for a regional issue such as RA. Resource adequacy inherently crosses state borders as generation from resources located in Oregon is not necessarily committed to load service in Oregon. Furthermore, it is critical that utilities make prudent decisions regarding load and resource balance across their entire service area, not isolated to one state. Therefore, a state-specific look at RA is at odds with a multi-state utility's core function and mandate to serve all its customers, not just those within a single jurisdiction. Staff, too, highlighted this challenge, noting that "complexities highlighted by the LRE filings include the requirements for a multi-state utility to demonstrate RA for one state's customers."⁵

While Staff acknowledges the multi-state complexities of a state RA program, Staff also notes its intent to use a state RA program to reconcile "seams" issues identified in their previous report analysis.⁶ However, Staff's previous report analysis only included data from Commission-regulated entities, leaving out significant LREs in the region, such as the Bonneville Power Administration. Identifying seams issues from limited and incomplete data implies that LREs are not moving electricity within and across their balancing authorities on a daily basis. Idaho Power considers this a significant mismatch of data and applied analysis and believes that any RA effort cannot be soundly conducted without regionally comprehensive data and analysis.

RECOMMENDATION & CONCLUSION

WRAP is projected to be fully approved by FERC within the next year, so full implementation is expected to take effect relatively soon. At this stage, Idaho Power is unclear of the benefit of developing a state RA program before the regional program is operational. Therefore, the Company encourages Staff to wait for WRAP implementation and binding participation before proceeding with any state RA program.

However, if the Commission chooses to proceed with this docket or with a new rulemaking, it may be beneficial and more efficient to focus the proposed state RA program on ESSs and non-WRAP participating entities. Because the straw rules largely repeat standards and processes for WRAP-participating IOUs, a binding RA program may better fit the needs of assessing RA for ESSs and non-WRAP participants. Meanwhile, the state program could remain non-binding for the remaining Oregon-regulated entities. This adjustment in binding requirements could help alleviate the greater investment of time and effort from Staff and avoid any duplication with existing and ongoing WRAP efforts.

⁵ *Id.*, p. 2.

⁶ *Id.*, p. 1.

Nevertheless, Idaho Power believes that following WRAP's precedent and implementation is the most logical and efficient strategy for the specific RA needs of Oregon.

Sincerely,

A handwritten signature in black ink that reads "Abby Johnson". The signature is written in a cursive, flowing style.

Abby Johnson
Regulatory Policy and Strategy Analyst
Idaho Power