

UM 2143 Investigation into Resource Adequacy in the State Draft Resource Adequacy Rules Proposal:

This document describes and presents the Oregon Public Utility Commission Staff's (Staff) draft rules proposal in the UM 2143 Resource Adequacy (RA) investigation. As a reminder, Staff requests that stakeholders submit comments on the draft rules contained here no later than **June 12, 2023**.

Background

[On February 17, 2023](#), Staff released an updated straw rules proposal that outlines a recurring informational RA filing for all Commission-regulated entities and a binding compliance program for Commission-regulated entities that are not part of a regional RA program. After that filing, stakeholders submitted comments regarding Staff's straw rules proposal and a workshop was held on April 5, 2023, to discuss the straw proposal and ensuing comments. Following comments and discussion from stakeholders, Staff has updated some aspects of the load forward showing requirements, clarified filing requirements for both the informational filing and compliance program, and clarified that an entity that is committed to a regional resource adequacy program does not need to participate in the state compliance program while waiting to be approved for the binding portion of the regional RA program.

A summary of Staff's draft rules proposal

Staff's full rules proposal is included in Appendix A to this filing and largely reflects the updates to the straw proposal presented in the workshop held on April 5, 2023. In forming this rules draft, Staff has set proposed filing and compliance program timelines that Staff felt were necessary in creating a compliance program. In particular, Staff clarifies the following items:

- The timeline and proceedings in which load serving entities will submit their informational filings.
- The compliance program will begin in 2025 to coincide with the expected beginning of the Western Resource Adequacy Program's binding forward showing.
- The compliance program will require participants submit their compliance filing to the Commission by April 1st of a compliance year.
- The Commission will strive to make a determination on compliance within 90 days of filing.
- Compliance program participants that are not initially deemed to be compliant will be given 30 days to become compliant before facing penalties.
- The Qualified Capacity Contribution, Planning Reserve Margin, and any potential fines used for the compliance program will be updated in every compliance filing year two months prior to the filing date for the compliance program.

Staff also notes that its definition for "Emissions Planning Report" references rules regarding HB 2021 compliance filings that have not been adopted.

Next Steps

Staff invites stakeholders to weigh in on any part of Staff's draft rules. However, Staff encourages stakeholders to provide comments on the following in particular:

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- Staff is interested in including as much detail as possible about establishing PRM and qualifying contribution methods in the rules to reduce ongoing administrative burden and increase certainty in the efficacy of the program. Staff requests feedback on how the Commission should set the planning reserve margin and qualified capacity contributions including the process and the methods.
- Staff is interested in maximizing the ability of the RA Program to fill gaps. Staff seeks feedback on the ability to begin compliance filings in the 2024 calendar year for entities that are not committed to a regional RA program. This could serve as a trial run for the ongoing program.
- Staff is interested in including as much detail as possible about the establishment of the penalties to reduce ongoing administrative burden and increase certainty in the efficacy of this program. Staff seeks feedback on whether and how to establish the penalty amount or the methodology for calculating the penalty that the Commission may impose on a non-compliant compliance program participant.

Staff requests that these comments be filed no later than **Wednesday, June 12, 2023**.

Questions

If you have questions on this docket, please contact:

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To receive meeting notices and agendas for this docket, send an email to puc.hearings@state.or.us, and ask to be added to the service list for Docket No. UM 2143. You will then receive emails with workshop details, when new documents have been added to the docket, or there is a change to the schedule.

Appendix A: Draft Resource Adequacy Rules:

1. Scope and Applicability of Rules
 - a. The rules in this division prescribe the filing requirements for informational Resource Adequacy forward showings, and the filing requirements 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-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. “State Participant” means a Load Serving Entity that is not a Regional Participant.
 - h. “State Program” means the Resource Adequacy compliance program administered by the Commission applicable to State Participants.
 - i. “Binding Forward Showing” means a filing used by a State Participant to show compliance with the State Program
 - j. “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.
 - k. “Emissions Planning Report” means a filing made by an Electric Service Supplier to show compliance with ORS 757.649(f).
 - l. “Informational Filing” means a non-binding discussion of a Load Serving Entity’s strategy to address Resource Adequacy.
 - m. “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.
 - n. “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.
 - o. “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.

- p. “Compliance Resource” means the resource(s) used by a State Participant to meet the load requirements of the Binding Forward Showing.
 - q. “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
- a. 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 submission to its Qualified Regional Program. This may be included as Appendix chapter.
 - c. 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.
 - d. An Electric Company’s Integrated Resource Plan filing must have a chapter 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 and what is used in the Electric Company’s Integrated Resource Plan analysis and associated action plan.
4. Electric Service Supplier Informational Filing Requirements
- a. Electric Service Suppliers must file an Informational Filing with the Commission every other year.
 - b. Electric Service Suppliers may file their Informational Filing as part of their Emissions Planning Report filing.
 - c. 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:
 - 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 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.

- e. 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 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.
 - c. The Commission shall set a Qualified Capacity Contribution for each resource type no later than February 1 of a filing year.
 - d. The Commission Staff and Parties should complete its compliance review for each State Participant within 90 days of filing the Binding Forward Showing.
 - e. 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 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 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.

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- j. The Commission shall set the fine by February 1 of a filing year to provide adequate incentive for the Load Serving Entity to acquire resources to meet its transmission and load obligations.