

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of Public Utility Commission of)	DOCKET NO. UM 2143
Oregon: Investigation Into Resource)	
Adequacy in Oregon)	CALPINE ENERGY SOLUTIONS, LLC’S
)	COMMENTS ON STAFF’S REPORT
)	
)	

Calpine Energy Solutions, LLC (“Calpine Solutions”) hereby submits its comments in response to the Public Utility Commission of Oregon (“OPUC” or “Commission”) Staff’s Report (“Staff Report”) recommending that the Commission open a formal rulemaking proceeding and providing draft proposed rules for resource adequacy (“RA”) requirements.

As has been previously expressed, Calpine Solutions supports the Commission’s efforts to develop a Resource Adequacy framework applicable to load responsible entities (“LREs”) regulated by the Commission. Calpine Solutions has actively engaged in the informal stage of this rulemaking process, including participation in workshops and submission of multiple rounds of written comments recommending revisions and improvements to Staff’s proposals. Developing Resource Adequacy rules requires close attention to technical details, and Calpine Solutions appreciates Staff’s consideration and inclusion of many important technical revisions it has proposed for the rules.

However, Calpine Solutions remains very concerned with a fundamental issue before the Commission with respect to the proposed rules. Specifically, the fundamental concern that should be addressed by the Commission at this time is the draft proposed rules’ lack of any compliance option for electricity service suppliers (“ESSs”) and direct access customers other than compliance with the terms and conditions of the Western Resource Adequacy Program

(“WRAP”) Tariff’s Forward Showing (“FS”) program. The draft proposed rules include parallel State Program Requirements for non-participants in WRAP, but the State Program Requirements are similar in kind to WRAP’s requirements and thus do not solve some of the key problems that could arise within the WRAP.¹

Although Calpine Solutions is currently a participant in the WRAP, Calpine Solutions continues to recommend that the Commission not rely solely on WRAP-style compliance for ESSs and direct access customers. The WRAP represents a significant shift in regional capacity and transmission adequacy practices. Among other potential issues, it remains unclear whether all LREs will be able to procure resources fully compliant with WRAP’s new requirements, especially WRAP’s FS Transmission Requirement. As explained in detail in prior comments in this proceeding, serious questions remain as to whether adequate firm transmission exists throughout the region for all LREs to meet WRAP’s FS Transmission Requirement.² Rather than restate all of these points, Calpine Solutions directs the Commission to the Northwest & Intermountain Power Producers Coalition’s (“NIPPC”) comments on the Staff Report for a detailed summary of the problem.

In sum, Calpine Solutions agrees with NIPPC’s comments and recommendation that the Commission should include within the proposed rules a meaningful alternative to WRAP compliance, at least for ESSs. Two reasonable alternatives available for further development include:

(1) Capacity Backstop Charge: The Commission should include an option that direct access customers pay the utility a Resource Adequacy charge, which meets the

¹ See Staff Report, Docket No. UM 2143, Attachment A, § 5 (Sept. 11, 2023) (containing the “State Program Requirements”).

² See Calpine Solutions’ Comments, Docket No. UM 2143, pp. 5-7 (June 12, 2023).

customer's ESS's Resource Adequacy obligation for that customer's load; or

(2) Request for Offers: If the Commission decides not to adopt a Capacity Backstop Charge, the Commission should at least provide guidelines that would provide some assurance that utilities will not unreasonably refuse to sell ESSs any excess WRAP-compliant capacity and transmission. For example, as Staff's Report notes, Calpine Solutions proposed that the rules could require the public utility to issue an annual request for offers ("RFO") from ESSs to buy the utility's excess capacity or transmission that meets the WRAP's definition of Qualifying Resources for use in WRAP's Forward Showing Program and/or transmission rights meeting the WRAP's FS Transmission Requirement.³

Calpine Solutions is concerned that Staff's draft proposed rules appear to foreclose use of these potential alternatives because the draft proposed rules contain mandatory language requiring each covered LRE to either participate in WRAP or comply with the WRAP-style State Program Requirements—with no room for any exceptions. Thus, the draft proposed rules appear to exclude these alternative options from consideration within the rulemaking. To avoid elimination of these options from consideration, the Commission should take steps now to clarify that these reasonable alternatives are within the scope of the rulemaking. At the minimum, the Commission should express interest in developing a date certain within the rules by which it will revisit this issue in the rules to review whether the WRAP's firm transmission requirement is proving to be unworkable.

Alternatively, the Commission could express interest in further development of one or both of these alternatives in Docket No. UM 2024, with the intent of subsequently updating the

³ See Calpine Solutions' Comments, Docket No. UM 2143, pp. 2-7 (July 21, 2023).

Resource Adequacy rules after the decision in that case.

In any event, Calpine Solutions recommends that the Commission express interest in further development of an alternative to WRAP-style compliance for ESSs and direct access customers to ensure that reasonable and feasible options are ultimately provided for participation in Oregon's direct access programs.

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