

Distribution System Planning: Purpose, Need and Principles

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NW Energy Coalition
for a clean and affordable energy future

NW Energy Coalition

The NW Energy Coalition is an alliance of about 100 environmental, civic, and human service organizations, progressive utilities, and businesses in Oregon, Washington, Idaho, Montana and British Columbia. We promote development of renewable energy and energy conservation, consumer protection, low-income energy assistance, and fish and wildlife restoration on the Columbia and Snake rivers.



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DSP Context and Purpose

Context

- Oregon climate and clean energy policy
- Early stages of a major change in the electric system resource mix
- Rapid innovation of technology, policy and markets
- Improved system management at the "grid edge" – leverage for clean energy transformation and improved reliability/resilience
- More choice and active role for customers to provide system value
- Facilitation by third party providers (equipment, data, aggregation)

Purpose of DSP

- Identify and promote investment and partnership by utilities and customers, with assistance from third parties where appropriate, to expand the carrying capacity and optimize the operation of the distribution system

DSP Priorities and Challenges

Priorities

- Utility-customer joint investment and ongoing partnership
- Third party provider support for utilities, customers and in some cases as intermediaries between them
- Equity of access and participation
- Rapid development of distribution services for flexible demand and customer side generation, decreasing costs and improving reliability

Challenges

- Customer equity, choice, protection, agency
- Data ownership, access, security
- Tension between distribution side and behind the meter investment (capex bias)

DSP and Equity

Equity Principles

- Fair treatment and equal protection
 - “No group of people should bear a disproportionate share of the negative environmental consequences resulting from . . . operations or execution" of policy (*EPA Environmental Justice program*)
- Meaningful Involvement
 - All affected customers have an opportunity to participate and can influence decisions in a timely and meaningful way
 - Decision making bodies consider the concerns of all participants and additionally seek out and facilitate involvement by those traditionally under-represented:
 - ✓ Minority, low-income, Tribal communities
 - ✓ Youth, elderly, people with disabilities
 - ✓ Coastal, rural, frontier communities (HB 4067, 2020)

Principles for Consideration (1)

- Support **Oregon climate and energy goals**
- **Maximize value to customers:** cost, reliability, safety, choice, protection
- **Be inclusive:** All customers should have opportunities to participate and be compensated for value they provide
- Provide for **equity, access and the needs of underserved communities**
- Support **community resilience strategies**, especially weather, climate and seismic risk
- Be **transparent and consistent** in DSP process, metrics and methods
- Incorporate an **open approach to data sharing**, except where precluded for specific demonstrated reasons

Principles for Consideration (2)

- Be **technology agnostic** -- consider all resources and options, both wires and non-wires
- **Promote competition** while recognizing utility responsibility to provide **safe and reliable service**
- Use **scenario assessment** to examine feasible futures
- **Ensure coordination** with utility integrated resource planning and transmission planning
- Enhance **visibility/situational awareness** of the distribution system for overall utility operations
- Provide **necessary data** for rate design, cost allocation and recovery, and for appropriate compensation to customers
- Support **physical and cyber security**