

**Draft**

**UM 2011  
Kick Off  
Workshop  
June 14, 2011**



# Introduction



- Welcome / Introduction
- Workshop Purpose
  - What is Capacity?
- Logistics
- Agenda/Speakers
- General Capacity Investigation
- UM 2011 Approach
- Process - Investigation Phases

# Draft

# Logistics



- Location
  - Portland State Office Building
  - Conference Room 1D-70
  - 800 NE Oregon St.,
  - Portland, OR 97232
- Phone: 1-866-390-1828 or 216-706-7075
  - Access Code: 6739703

# Draft

# Speakers



- Utility Presentations on Capacity
- Regional Stakeholder Perspective on Capacity
- Regional Planning Group Presentation on Capacity

# Draft

# General Capacity Investigation



- Capacity need and capacity values are used in multiple areas

Draft

Payments for QFs

Amount of  
Energy Efficiency  
to acquire

Demand-  
response  
programs

Resource Value  
of Solar

Time-of-use  
tariffs

Storage

Planning

Distributed  
energy resources

# UM 2011 Approach



## Define Capacity

- What is capacity? How do utilities define it? Are there differences in flexible vs firm? By type (dispatchable, demand-side, variable intermittent resource (VIR), distributed energy resource (DER), storage, market contracts, other)

## Examine Capacity Acquisition

- How do utilities acquire capacity, for future/long-term, mid-term, short-term, seasonal, hourly, other?
- What methods of acquisitions – RFPs, bi-lateral negotiations, market purchase, capacity is 'put' to utility?

## Establish value methodology

- Peak-reduction, load shifting, delay in generation or T&D projects, ancillary services

## End Results

- End product is a series of recommendations on how the Commission should treat capacity
- How to appropriately value resources: Dispatchable vs non-dispatchable, Energy Efficiency, intermittent resources, QFs, future products and services

# Draft



# Process - Investigation Phases



Phase 1: Define Capacity

Phase 2: Identify Capacity Acquisition

Phase 3: Valuing Capacity

<b>Timeframe (tentative)</b>	June 2019 – July 2019	August 2019 – September 2019	Q4 2019 – Q1 2019
<b>Goal</b>	Develop a knowledge-base for defining capacity.	Develop a knowledge-base for identifying capacity needs.	Develop modeling methodology to value capacity in all its forms.
<b>Milestones</b>	<ul style="list-style-type: none"> <li>Workshops: Staff will conduct one or more workshops to define capacity types (dispatchable, demand-side, variable intermittent resource (VIR), distributed energy resource (DER), storage, market contracts, other) and distinctions between operational vs mandated capacity.</li> <li>Draft guidance: Staff releases draft defining capacity.</li> <li>Stakeholder comments if needed</li> </ul>	<ul style="list-style-type: none"> <li>Workshops: Staff will conduct workshops as needed to define capacity acquisition (future, seasonal, short-term, markets, EIM, hourly, other).</li> <li>Draft guidance: Staff releases draft defining Capacity needs.</li> <li>Stakeholder comments if needed</li> </ul> <p style="text-align: center; font-size: 2em; font-weight: bold;">Draft</p>	<ul style="list-style-type: none"> <li>Workshops: Staff will conduct a series of workshops to define capacity value (peak-reduction, load shifting, delay in generation or T&amp;D projects, ancillary services)</li> <li>PUC and stakeholder engagement process                             <ul style="list-style-type: none"> <li>Comments</li> <li>Workshops</li> <li>Outside experts</li> </ul> </li> <li>Draft guidance: Staff releases final memo defining capacity value and method for incorporating in current capacity-related dockets.</li> <li>Stakeholder comments.</li> </ul>
<b>Key Objective</b>	Common definition for defining capacity.	Final proposal for determining Capacity need.	Commission acknowledgement of final report with recommendations on approach for capacity related issues.

# Phase 1: What is Capacity?



- Common understanding of ‘capacity’.
- Workshop to examine issues such as:
  - How do the resource characteristics such as dispatchability, firm capability to meet peak needs, commercially operational date vs timing of system need, and physical location on the system (T&D circumstances) factor in to the definition of capacity?
  - What system operational needs does capacity meet?
  - In the evolving energy grid is there a difference between flexible and firm capacity?
  - Do different resource types bring different capacity levels or values?

# Draft