

# UM 2143 Straw Proposal Workshop

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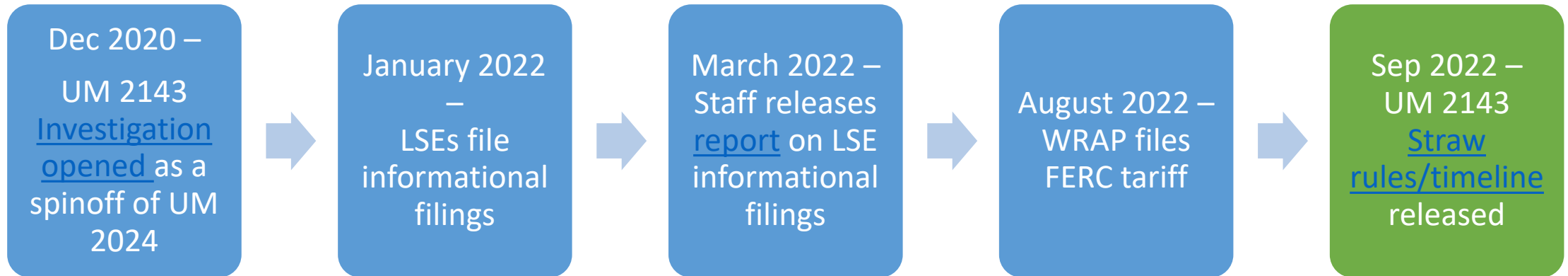


# Today's Agenda

Agenda Item	Time	Duration
Introductions	1:00-1:10	10 min
Straw Proposal Explanation/Timeline	1:10-1:40	30 min
Process Discussion	1:40-2:00	20 min
Filing Requirements Discussion	2:00-2:30	30 min
RA Standards/Metrics Discussion	2:30-3:00	30 min
Discussion on anything else	3:00-3:30	30 min
Next Steps/Timeline discussion	3:30-4:00	30 min



# What has happened so far?



# What conclusions have we drawn?

- IOUs don't plan to serve load of long-term opt out customers in their IRPs, and Staff has less clarity on how ESSs plan to serve their customers.
  - This is subject to change pending the outcome of AR 651
- RA rules horizon is key to fill in the gaps between the IRP horizon and the WPP WRAP filings.
- Staff knows that the discussion around RA metrics is evolving but believes that having any RA metric in place fills a current gap in regulation and can complement other regional programs.
- Having an appropriate set of data is necessary to conduct an adequate analysis.

# Straw Process Proposal

## How will the standards be set?

- Rules
- A limited rulemaking can be opened to update rules in future
- *Plan on some guidance after first round of filings*

## Will the standards be binding?

- Yes

## How will it be filed?

- With IRP for IOUs
- With HB 2021 reporting for ESSs

## Compliance Process

- For IOUs, acknowledged as part of IRP. Investigation opened if needed.
- ESSs will follow IRP-like process



# Straw Compliance Outcomes Proposal

## Alternative compliance options

- ESSs may procure capacity from third party (Capacity Backstop) as part of plan
- Capacity Backstop charge determined by FERC wholesale rates
- ESSs must show compliance for each year and ensure preferential curtailment by IOU to avoid charge

## If a plan is deemed non-compliant

- Commission directs LRE how to cure deficiencies or be subject to a fine if they are not cured



# Straw Filing Requirement Proposal

## Filing frequency

- With IRP for IOUs
  - RA update with IRP update as well
- Every other year for ESSs

## What will be in filing?

- 3-yr resource plan.
- 3-yr load forecast
- 3-yr transmission assessment
- Summary of resources

## Capacity Contributions in filings

- 1-3 yr outlook should match WPP advisory forecast for capacity contribution/transmission/PRM or demonstrate that its own data forms a suitable substitute



# Straw RA Standards Proposal

## Planning Reserve

- Set to a 1 in 10 yr LOLE for WPP Non-Participants
- Set to regional level for WPP participants and must show compliance with WPP

## WPP Non-Participants

- 3-yr action plan must meet the following RA standards:
  - 100% 1 yr out
  - 95% 2 yrs out
  - 80% 3 yrs out

## WPP Participants

- 3-yr action plan must meet the following RA standards:
  - 95% 1 yr out
  - 90% 2 yrs out
  - 75% 3 yrs out





# Proposed Docket Timeline

Mid Oct

- Workshop to discuss straw proposal and timeline

Late Nov

- Stakeholders submit comments on rulemaking process and scope

Early Dec

- Staff holds technical conference on RA at a public meeting and introduces Staff's proposed process
- Staff will use this opportunity to update Commission on LRE filings

Mid Jan

- Draft rules circulated
- Stakeholders will be given opportunity to submit comments

Early Feb

- Workshop to discuss draft rules and comments
- A second workshop will be held in March if needed

March

- Request to move to a formal rulemaking at a public meeting
- Formal rulemaking will conclude ~90 days later, leading to a May/June 2023 implementation

# Process/Compliance Discussion

- Should the standards be set by rule?
- Thoughts on an IRP-style acknowledgement?
- Is a fine the optimal instrument for non-compliance?
- Should the RA metric be used in other proceedings as well?



# Filing Requirements Discussion

- Thoughts on a 3-year horizon?
- Does a filing every other year balance burden and sufficiency?
- Does the straw proposal contain enough information as proposed?



# RA Standards/Metrics Discussion

- Is 1 in 10 yr LOLE the appropriate metric?
- Is a single metric enough?
- Are the RA standards appropriate for WPP and non-WPP participants?
- Should there be special considerations for inter-jurisdictional LREs?



## Next Steps/Timeline Discussion

- Is there enough time for stakeholder feedback?
- Is there enough agreement on the content of the rules to move forward?



Thank you for  
attending!

- Feel free to contact me with any questions.
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