

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

This document describes and presents the Oregon Public Utility Commission Staff’s (Staff) updated draft rules proposal in the UM 2143 Resource Adequacy (RA) investigation. Staff requests that stakeholders provide comments no later than **August 28, 2023**. This will be the final opportunity to provide written comments before Staff recommends that a formal rulemaking be opened.

Background

On June 30, 2023, Staff released an updated draft rules proposal that incorporates edits from stakeholders on Staff’s proposed resource adequacy program rules. Staff provided an updated set of draft rules ahead of its timeline to bring these rules to a public meeting so as to allow an additional round of engagement, and informed stakeholders to expect one more set of draft rules and another comment period before Staff recommends a formal rulemaking be opened. Staff also notes that the initial public meeting date in the timeline it released in February of this year is incorrect and would like to clarify that the target public meeting date is September 21, 2023. Staff proposes the following schedule to open a formal rulemaking:

Event	Date
Updated Draft Rules Circulated	August 11, 2023
Final Comments Due	August 28, 2023
Public Meeting to Request Formal Rulemaking	September 21, 2023

A summary of Staff’s updated draft rules proposal

A clean version of Staff’s changes to its June rules proposal are included in Appendix A to this filing. A redline Microsoft Word version of the proposal was sent to members of the UM 2143 docket distribution list. Please reach out to Staff if you would like a Microsoft Word version of the updated rules proposal and did not already receive one. In updating these draft rules following stakeholder comments, Staff made the following substantive changes:

- Modified the definition of Resource Adequacy.
- Modified the informational transmission discussion to better align with Staff’s intent.
- Clarified that ESS decertification is only an option after repeated non-compliance.
- Changed the time to cure deficiencies to 60 days instead of 30 and added language limiting the use of transmission exceptions to align with the Western Resource Adequacy Program.
- Reorganized the rules to make clear what is to be included as a chapter in an IRP or Emissions Planning report, what may be an Appendix Chapter, and what is only necessary to provide if requested.

Staff maintains a primary goal of addressing resource adequacy in the state in a manner that is timely, efficient, cost-effective and complimentary to the WRAP and its operations. Staff appreciates Calpine’s proposal for a capacity RFO but ultimately believes that inclusion of the proposal may interfere with Staff’s primary objectives. Staff’s concerns regarding the proposal include: the impact of a state level capacity sharing program on the regional program that Staff hopes to encourage, the effort will not

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produce any material difference in the ability of an ESS to procure capacity, costs and benefits to COS and DA customers will not be properly allocated, and further attempts to include the proposal will delay the docket and keep the Commission from addressing RA. Staff notes that the rules as outlined do not preclude a capacity backstop RFO and that the Commission has an open investigation into DA issues in UM 2024 which is set to begin scoping. Because of the confluence of factors, Staff believes that it is best to delve further into the issue in UM 2024 where it can be evaluated along with other ESS and DA specific issues.

Next Steps

Staff invites stakeholders to weigh in on any part of Staff's updated draft rules and requests that these comments be filed no later than **Monday, August 28, 2023**. In particular, Staff is interested in hearing stakeholders' thoughts on Calpine's recommendation to create an RFO for capacity products and whether the issue of capacity backstop should be addressed in this docket or another one .

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 provision of Resource Adequacy information, 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(11).
 - 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-approved 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 with a sufficient degree of reliability and plan to meet future demand with sufficient supply-side and demand side resource.
 - f. “Regional Participant” means a Load Serving Entity that is a participant in or committed to a Qualified Regional Program.
 - g. “Regional Forward Showing” means any data, forecasts, or submittals required by a Qualified Regional Program to support program compliance by a Regional Participant.
 - h. “State Participant” means a Load Serving Entity that is not a Regional Participant.
 - i. “State Program” means the Resource Adequacy compliance program administered by the Commission applicable to State Participants.
 - j. “Binding Forward Showing” means a filing used by a State Participant to show compliance with the State Program
 - k. “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.
 - l.
 - m. “Emissions Planning Report” means a filing made by an Electric Service Supplier to show compliance with ORS 757.649(1)(f).
 - n. “Informational Filing” means a written explanation of a Load Serving Entity’s strategy to address Resource Adequacy and all underlying or related data needed to support such explanation.
 - o. “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.

- p. “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.
 - q. “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.
 - r. “Compliance Resource” means the resource(s) used by a State Participant to meet the load requirements of the Binding Forward Showing.
 - s. “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.
 - t. “Qualified Parties” means Commission Staff and Citizens’ Utility Board employees who execute a modified protective order.
3. Electric Company Informational Filing Requirements
- a. Electric Companies must provide an Informational Filing to the Commission as a part of their Integrated Resource Plan.
 - i. The Electric Company’s Informational Filing must be included as a chapter to the Integrated Resource Plan that incorporates the Advisory Forecast from a Qualified Regional Program and contains a discussion about how the overall resource strategy interacts with Resource Adequacy concerns.
 - b. The Informational Filing for an Electric Company must include:
 - i. A monthly P50 Peak Load Forecast and Effective Load Carrying Capability curve 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 discussion covering at least four years of the transmission rights necessary to serve P50 load, the transmission rights currently owned or used, the steps that will be taken to procure transmission rights to fill in any open position, and any expected constraints or difficulties in filling any open positions.
 - iii. A description of any notable deviations between the load forecast, Qualified 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.
 - c. All outputs of a Qualified Regional Program’s most recent Advisory Forecast must be included with the Informational Filing. These may be included in the Informational Filing or as an Appendix chapter to the Integrated Resource Plan.
 - d. A Regional Participant’s most recent Regional Forward Showing submission to its Qualified Regional Program must be made available to Qualified Parties upon request pursuant to a Modified Protected Order.
4. Electric Service Supplier Informational Filing Requirements
- a. Electric Service Suppliers must submit an Informational Filing with the Commission every other year.

- i. The Informational Filing may be filed as a part of the Emissions Planning Report filing.
 - ii. The Informational Filing must contain a discussion about how the overall resource strategy interacts with Resource Adequacy concerns.
 - b. The Informational Filing for an Electric Service Supplier must include:
 - i. A monthly P50 Peak Load Forecast and Effective Load Carrying Capability curve 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 discussion covering at least four years of the transmission rights necessary to serve P50 load, the transmission rights currently owned or used, the steps that will be taken to procure transmission rights to fill in any open position, and any expected constraints or difficulties in filling any open positions.
 - c. All outputs of a Qualified Regional Program's most recent Advisory Forecast must be included with the Informational Filing. These may be included as an appendix chapter.
 - d. A Regional Participant's most recent Regional Forward Showing submission to its Qualified Regional Program must be made available to Qualified parties upon request pursuant to a Modified Protected Order.
 - e. 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. Any Electric Company or Electric Service Supplier that is not a Regional Participant must comply with the State Program requirements.
 - b. 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.
 - c. State Participants must use a 1 event-day in 10-year Loss of Load Expectation standard when submitting their Binding Forward Showing.
 - d. State Participants must use a Planning Reserve Margin and Qualified Capacity Contribution consistent with a Qualified Regional Program or other Commission-approved methodology.
 - e. The Commission Staff and Parties should complete its compliance review for each State Participant within 90 days of filing the Binding Forward Showing.
 - f. 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.
 - g. 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 Planning Reserve Margin each month.
 - h. 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.

- i. A State Participant must demonstrate that it has firm or conditional 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 Available Transfer Capability 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 directly between two balancing authority areas from another entity supports the State Participant's transmission of energy from generation source to load sink. This counterflow cannot already be offsetting transmission of energy for another State Participant or Regional Participant. The State Participant requesting the exception shall include a written acknowledgement from the other entity that it is aware of such an exception request.
 - v. A State Participant cannot use waiver condition (i) or (ii) for the same portion of the transmission requirement in subsequent years.
- j. 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 60 days to remedy their Binding Forward Showing to meet the criteria for approval.
- k. A State Participant whose plan is not approved 60 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.
 - i. The Commission shall assess fines on a per-MW basis for monthly capacity or transmission deficiencies and based on the fining methodology of a Qualified Regional Program.
 - ii. Revocation of Electric Service Supplier certification shall only be considered after twice failing to cure a deficiency and following an investigation by the Commission.