



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol St NE, Suite 215

Mailing Address: PO Box 2148

Salem, OR 97308-2148

Consumer Services

1-800-522-2404

Local: (503) 378-6600

Administrative Services

(503) 373-7394

April 21, 2005

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: **OPUC Docket No. UM 1056** – IN THE MATTER OF AN INVESTIGATION INTO INTEGRATED
RESOURCE PLANNING REQUIREMENTS

Enclosed for filing in the above-captioned docket is the Public Utility Commission's UM 1056 Staff
Issues List. This document is being filed by electronic mail with the PUC Filing Center.

Judy Ogilvie

Judy Ogilvie
Regulatory Operations Division
Filing on Behalf of Public Utility Commission Staff
(503) 378-5763
Email: judy.ogilvie@state.or.us

UM 1056
Investigation into Integrated Resource Planning Requirements

Proposed Issues List

Generic (Electric and Natural Gas) Issues

1. General questions about the purpose and implementation of integrated resource planning:
 - How can the Commission ensure that its integrated resource planning requirements are flexible enough to accommodate the unique and changing circumstances of the utilities under its jurisdiction?
 - Given the changes in the utility industry, what are the purposes and objectives of integrated resource planning?
 - How should the Commission review utility implementation of integrated resource plans?
 - How do the Commission's ratemaking policies and practices affect resource evaluation and selection? Should IRPs address whether changes to ratemaking policy could improve the outcome of resource planning?
2. General questions about the timing of integrated resource planning and plans:
 - What should be the planning horizon?
 - How often should integrated resource plans be filed?
 - How often should utilities update action plans?
 - What is the appropriate time period for completing the integrated resource planning process?
3. How should integrated resource plans measure and consider the cost-stochastic risk tradeoff between candidate resource portfolios? What assumptions should the utilities make about the sharing or allocation of stochastic risk between shareholders and ratepayers? How should the utilities evaluate and compare resource portfolios comprised of resources of different fuel types and technologies, and different durations?
4. What principles and metrics should the utilities use to weigh other types of risks, e.g., the risks associated with owned resources vs. purchased resources? Should integrated resource plans discuss global warming and its potential impacts on utility customers?
5. Should the Commission modify, delete or add substantive requirements for integrated resource plans, e.g., should the Commission consider whether a resource plan is in the long-term public interest and whether the plan is consistent with the energy policy of the state of Oregon as expressed in ORS 469.010, as

- currently required in Order No. 89-507? How should the utility assess whether its integrated resource plan is in the long-term public interest and is consistent with the state's energy policy?
6. What data should be treated confidentially in integrated resource planning?
 7. Should the integrated resource planning procedures and requirements established in this docket be implemented as an Oregon Administrative Rule?
 8. For multi-state utilities:
 - Should integrated resource planning be conducted to optimize Oregon or system costs?
 - How should integrated resource planning reconcile different planning rules or standards in different jurisdictions?
 - How should integrated resource plans address different state or regional resource preferences?
 9. Should the Commission acknowledge generic or specific resource actions? For example, should the Commission acknowledge a generating plant of a certain design and at a specific utility-owned location?
 10. What is the significance of Commission acknowledgment of a resource action in a prudence hearing or rate case regarding an investment or purchase? For example, what type of prudence challenge will the Commission consider if the utility acquires a specific resource or a targeted level of resources of a certain type, consistent with the acknowledged action plan?
 11. How should transmission and distribution investments/costs and opportunities be incorporated into integrated resource planning? Should incremental gas transportation and electric transmission capacity needs be modeled at both rolled-in embedded cost and incremental cost, allowing for the comparison of both cost options in the IRP?
 12. How does the Oregon Energy Trust's responsibility for conservation and renewable resources affect the integrated resource planning process for Portland General Electric, PacifiCorp and NW Natural?
 13. How should cost-effective conservation be analyzed and included in resource planning? Should a conservation potential study be conducted and, if so, how?
 14. How should demand response be explicitly included in integrated resource planning on par with other options for meeting energy and capacity needs?

15. Should the Commission update the type of CO₂ risk analysis required by Order No. 93-695, including the cost adder values? Should utilities be required to assign an imputed cost for CO₂ in IRPs?
16. Should IRPs incorporate competitive bidding results, or should the Commission acknowledge the IRP before the utility conducts RFPs for resources identified in the action plan?
17. How should customers eligible to choose an alternative electricity or natural gas supplier be accounted for in integrated resource planning?
18. Should integrated resource plans evaluate the impact of resource decisions on retail rates?
19. For expiring contracts, should integrated resource planning assume expiration or renegotiation or some combination of the two options?

Issues Specific to the Electric Industry

20. How should distributed generation be addressed in integrated resource planning?
21. How should the resource planning margin be determined to ensure resource adequacy and consider cost?
22. Should utilities assume a specific ratemaking treatment when evaluating alternative resource addition, e.g., including only the intrinsic value of capacity contracts in rates, versus including the real option value (i.e., both the intrinsic and extrinsic value) of capacity contracts in rates?
23. How should the requirement in OAR § 860-038-0080(1)(b) that new resources be reflected in rates at market rates impact the integrated resource planning process?
24. How should a utility's request to waive the market price rule for new resources impact the integrated resource planning process?

Issues Specific to Portland General Electric and PacifiCorp

25. How should integrated resource planning be integrated with SB 1149 requirements? How do the following SB 1149 implementation issues affect current resource plan requirements: availability of a cost of service rate for different customer classes, the resource plan requirement (OAR 860-038-0080) and long-term supplies for standard offer service? How should an option for large customers to opt out of PGE's and PacifiCorp's new generation resources be accounted for in integrated resource planning?

26. What is the relationship between an integrated resource plan and a resource rate plan under ORS 757.212?

UM 1056
Service List (Parties)

<p>NW ENERGY COALITION 219 FIRST ST STE 100 SEATTLE WA 98104</p>	<p>RATES & REGULATORY AFFAIRS PORTLAND GENERAL ELECTRIC RATES & REGULATORY AFFAIRS 121 SW SALMON STREET, 1WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com</p>
<p>SUSAN K ACKERMAN NIPPC PO BOX 10207 PORTLAND OR 97296-0207 susan.k.ackerman@comcast.net</p>	<p>STEPHANIE S ANDRUS DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@state.or.us</p>
<p>KATHERINE BARNARD CASCADE NATURAL GAS PO BOX 24464 SEATTLE WA 98124 kbarnard@cngc.com</p>	<p>JACK BREEN PUBLIC UTILITY COMMISSION PO BOX 2148 SALEM OR 97308-2148 jack.breen@state.or.us</p>
<p>PHIL CARVER OREGON DEPARTMENT OF ENERGY 625 MARION ST NE STE 1 SALEM OR 97301-3742 philip.h.carver@state.or.us</p>	<p>MELINDA J DAVISON DAVISON VAN CLEVE PC 333 SW TAYLOR, STE. 400 PORTLAND OR 97204 mail@dvclaw.com</p>
<p>JASON EISDORFER CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org</p>	<p>ANN L FISHER AF LEGAL & CONSULTING SERVICES 1425 SW 20TH STE 202 PORTLAND OR 97201 energlaw@aol.com</p>
<p>ANN ENGLISH GRAVATT RENEWABLE NORTHWEST PROJECT 917 SW OAK - STE 303 PORTLAND OR 97205 ann@rnp.org</p>	<p>DAVID E HAMILTON NORRIS & STEVENS 621 SW MORRISON ST STE 800 PORTLAND OR 97205-3825 davidh@norrstev.com</p>
<p>JOHN HANSON NORTHWEST NATURAL 220 NW 2ND AVE PORTLAND OR 97209-3991 john.hanson@nwnatural.com</p>	<p>ROBERT D KAHN NIPPC 7900 SE 28TH ST STE 200 MERCER ISLAND WA 98040 rkahn@nippc.org</p>
<p>BARTON L KLINE IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707-0070 bkline@idahopower.com</p>	<p>KATHERINE A MCDOWELL STOEL RIVES LLP 900 SW FIFTH AVE STE 1600 PORTLAND OR 97204-1268 kamcdowell@stoel.com</p>
<p>DAVID J MEYER AVISTA CORPORATION PO BOX 3727 SPOKANE WA 99220-3727 david.meyer@avistacorp.com</p>	<p>ALEX MILLER NORTHWEST NATURAL GAS COMPANY 220 NW SECOND AVE PORTLAND OR 97209-3991 alex.miller@nwnatural.com</p>

UM 1056
Service List (Continued)


<p>JANET L PREWITT DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM OR 97301-4096 janet.prewitt@doj.state.or.us</p>	<p>GREGORY W SAID IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707 gsaid@idahopower.com</p>
<p>IRION SANGER DAVISON VAN CLEVE 333 SW TAYLOR, STE 400 PORTLAND OR 97204 ias@dvclaw.com</p>	<p>V DENISE SAUNDERS PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC1301 PORTLAND OR 97204 denise.saunders@pgn.com</p>
<p>STEVEN SCHLEIMER CALPINE CORPORATION 4160 DUBLIN BLVD DUBLIN CA 94568-3169 sschleimer@calpine.com</p>	<p>JOHN W STEPHENS ESLER STEPHENS & BUCKLEY 888 SW FIFTH AVE STE 700 PORTLAND OR 97204-2021 stephens@eslerstephens.com</p>
<p>JON T STOLTZ CASCADE NATURAL GAS PO BOX 24464 SEATTLE WA 98124 jstoltz@cngc.com</p>	<p>BONNIE TATOM PUBLIC UTILITY COMMISSION PO BOX 2148 SALEM OR 97308-2148 bonnie.tatom@state.or.us</p>
<p>MARK P TRINCHERO DAVIS WRIGHT TREMAINE LLP 1300 SW FIFTH AVE STE 2300 PORTLAND OR 97201-5682 marktrinchero@dwt.com</p>	<p>STEVEN WEISS NORTHWEST ENERGY COALITION 4422 OREGON TRAIL CT NE SALEM OR 97305 steve@nwenergy.org</p>
<p>RICHARD T WINTERS AVISTA UTILITIES PO BOX 3727 SPOKANE WA 99220-3727 dick.winters@avistacorp.com</p>	<p>LINCOLN WOLVERTON EAST FORK ECONOMICS PO BOX 620 LA CENTER WA 98629 lwolv@tds.net</p>
<p>PAUL M WRIGLEY PACIFIC POWER & LIGHT 825 NE MULTNOMAH STE 800 PORTLAND OR 97232 paul.wrigley@pacificcorp.com</p>	

CERTIFICATE OF SERVICE

UM 1056

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to all parties or attorneys of parties.

Dated at Salem, Oregon, this 21st day of April, 2005.



Vikie Bailey-Goggins
Administrator, Regulatory Operations
PO Box 2148
Salem, Oregon 97308-2148
Telephone: (503) 378-6366