

Chapter 22 Electric Utility Resource Planning Rule Update

EW-2009-0412
Commission Public Meeting
January 25, 2010

Staff Comments
Presented by Lena Mantle

Direction Requested from the Commission on Aug. 31, 2009

- ❑ Direction on prescriptiveness of revised Chapter 22 rules
- ❑ Direction regarding type of Commission approval of Chapter 22 compliance filings

Current Staff Draft

- ❑ Commission approves process
- ❑ Reduce prescriptiveness in areas
 - End-use forecasting methodology
 - ❑ *No longer specifies that end-use methodology be used*
 - ❑ *Does require the methodology meet specified purposes*
 - Load analysis requirements
 - ❑ *Still requires certain data to be collected and maintained but is not as prescriptive*
 - ❑ *Includes new requirement for utility to estimate the impact of extreme weather conditions to be used for assessing the ability of alternative resource plans to serve load under extreme weather*

Current Staff Draft (cont.)

- Avoided cost methodology
 - *Gives costs that must be included but no longer prescribes methodology for calculation*
- Screening of exhaustive end-use measure effectiveness analysis
- Demand-side program design
 - *Allows top down or bottom up demand-side program design*
- Risk analysis
 - *No longer requires decision tree but still requires a risk analysis of a minimum list of factors*

Current Staff Draft (cont.)

- Increase Stakeholder input
 - Filings with provision for stakeholder comment before and after integration and risk analysis
 - *At least one stakeholder meeting prior to each triennial filing to present:*
 - *Draft of compliance filings corresponding to the load forecasting, supply-side analysis and demand-side analysis rule*
 - *Overview of proposed alternative resource plans*
 - *Stakeholders make good faith effort to provide comments to utility within 30 days of meeting*
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Current Staff Draft (cont.)

- Opportunity for stakeholders to provide contemporary issues for utilities to include in analysis
 - *Contemporary issues to be addressed in both annual and triennial filings*
 - *Must be provided to utility November 1 of each year*
- Less emphasis on “checklist”
 - *No filing requirement sections in each rule. Instead “describe and document” is required throughout rules.*
 - *Requires utilities to certify that requested action in cases before the Commission is consistent with preferred resource plan or provide a detailed explanation*

Current Staff Draft (cont.)

☐ Reduce Confusion

- Move load analysis to demand-side analysis rule

- ☐ *Some load analysis but not all moved*

- Move demand-side evaluation requirements to risk analysis and implementation

- ☐ *Demand-side program evaluation moved to 4 CSR 240-22.070 which is renamed "Resource Acquisition Strategy Selection"*

- Combine Integration and Risk Analysis

- ☐ *Risk analysis moved to 4 CSR 240-22.060 which is renamed "Integrated Resource Plan and Risk Analysis"*

Current Staff Draft (cont.)

- Update Chapter
 - Create transmission and distribution rule
 - *4 CSR 240-22.045 Transmission and Distribution Analysis*
 - *Removed all reference to "Smart Grid." Instead requires analysis of "advanced" transmission and distribution technologies*
 - More emphasis on rate design in demand-side analysis rule
 - *Demand-side rate no longer just included as an end-use measure.*
 - *4 CSR 240-22.050 (4) requires development of demand-side rate programs to be included in demand-side screening*
 - Financial viability of the plan included as key component of strategy selection
 - *Credit metrics included in performance measures to be considered in assessing performance of alternative resource plans.*

Current Staff Draft (cont.)

- Increase transparency to public and stakeholders
 - Requirement of public executive summary with compliance filings
 - *Specifically includes a capacity balance table*
 - Annual updates with some written documentation
 - *Utility must have an annual update workshop on or about April 1 of every year that a utility does not have a triennial filing*
 - *Annual update report filing required 20 days before workshop*
 - Add requirement to inform stakeholders and Commission of new plan when the filed plan changes
 - *Requires notification to Commission if the utility's business plan or acquisition strategy becomes materially inconsistent with the utility's filed resource plan or acquisition strategy*
 - Specification of certain deliverables

Current Staff Draft (cont.)

- Provide information necessary to determine compliance with
 - RES statutes/rules (Proposition C)
 - SB 376

Staff, in consultation with stakeholders, did not include these requirements in Chapter 22. These filing/submission requirements will be developed in separate rulemakings.

Additional Changes in Draft

- Now allows for identification of “concerns” in addition to “deficiencies”
 - Deficiency – fails to meet requirements of Chapter 22
 - Concern – may prevent utility from fulfilling objectives of Chapter 22
- Empire may only file every six years
 - Empire may file for a waiver if it has no unresolved deficiencies from prior triennial filing

EISA PURPA Standards

Draft rules meet Section 532: Section 111(d)(16) – Integrated Resource Planning Standards

- Integrate energy efficiency resources into utility, State and regional plans
- Adopt policies establishing cost-effective energy as a priority resource

EISA PURPA Standards

Draft rules meet some of EISA Section 532: Section 111(d)(17) - Rate Design Standards

- The rates allowed to be charged by any electric utility shall promote energy efficiency
- The Commission shall consider:
 - Including the impact on adoption of energy efficiency as one of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives.
 - Adopting rate designs that encourage energy efficiency for each customer class
 - Offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating the homeowners about all existing Federal and State incentives, including the availability of low-cost loans, that make energy efficiency improvements more affordable.

EISA PURPA Standards

Draft rules meet some of EISA Section 1307:
Section 111(d)(18) - Smart Grid Investment
Standards

- Each State shall consider requiring that, prior to undertaking investments in nonadvanced grid technologies, an electric utility of the State demonstrate to the State that the electric utility considered an investment in a qualified smart grid system based on appropriate factors, including -
 - total costs
 - cost-effectiveness;

EISA PURPA Standards

Draft rules do not meet any of EISA
Section 1307: Section 111 (d)(19) –
Smart Grid Information Standards