SB 318 -1   STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Meeting Dates:	2/11

WHAT THE MEASURE DOES:

Requires Public Utility Commission (Commission) to establish resource adequacy requirement (RA Requirement) applicable to all load serving entities. Defines "load serving entity" as a person that: secures energy and transmission and related interconnection operation services to serve the electrical demand of its customers; serves customers in the service area in this state of a public utility; and is not a municipal electric utility, a people's utility district or an electric cooperative. Stipulates that under RA Requirement a load serving entity must plan for, procure, and demonstrate adequate qualifying capacity. Requires load serving entity to submit resource adequacy plan, that includes certain information, to Commission on a regular schedule. Directs Commission to require load serving entities to periodically make certain demonstrations. Authorizes Commission to direct public utility to acquire and procure physical resources and qualifying capacity to meet RA requirement if the electricity service supplier fails to demonstrate it is able to meet the RA Requirement.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces measure with exception for defintion of "Electricity service supplier" and "Load serving entity." Authorizes the Public Utility Commission (Commission) to determine the resource adequacy for load service entities to obtain adequate service for general public. Requires Commission to determine resource adequacy through the use of metrics identified by the Commission. Stipulates that if the Commission determines the resource adequacy for a load serving entity, to require periodic demonstrations that it is achieving its resource adequacy to the satisfaction of the Commission. Authorizes the Commission to commence an investigation if, after the demonstration, they determine that the load serving entity is not satisfactorily providing resource adequacy. Authorizes the Commission to identify and direct the load serving entity to undertake remedial actions, analysis or planning. Stipulates if the load serving entity fails to demonstrate it is providing resource adequacy and if they fail to undertake remedial actions, analysis, or planning the Commission may direct a public utility to provide an assessment of the public utility's ability to provide resource adequacy for load serving entity's customers. Authorizes Commission to allow public utility to recover prudently incurred costs through a mechanism approved by the Commission and if the load serving entity is an electricity service supplier, to revoke or condition their certification. Authorizes the Commission to consider coordination and integration with any multistate, regional or national entity when assessing resource adequacy.

BACKGROUND:

Across the Northwest, states are committing to carbon-free power and setting clean energy goals. Washington, Idaho and California have pledged 100 percent clean energy by 2045, and Oregon has committed to zero use of coal by 2040. To meet these goals, utilities are retiring coal plants. The Boardman Coal Plant was the last coal-fired power plant operating in Oregon, it closed in October, 2020. By 2030 a total of 18,000 megawatts of coal generation will have been taken offline in the Western Interconnection (the area from the Rockies west and consisting of 37 balancing authorities: 34 in the United States, 2 in Canada, and 1 in Mexico). According to the Public Utility Commission, resource adequacy planning is adapting to the evolving resource mix in the region to ensure a least-cost and smooth transition that maximizes customer benefits and manages risks effectively.

Senate Bill 318 requires the PUC to establish resource adequacy requirement for all load serving entities. The Act would require that all load serving entities submit a resource adequacy plan to the PUC and directs the PUC to require a load serving entity to periodically make certain demonstrations.