

Senate Bill 318

Sponsored by Senator BEYER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Public Utility Commission to establish resource adequacy requirement applicable to all load serving entities. Requires load serving entity to submit resource adequacy plan to commission. 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 resource adequacy requirement that electricity service supplier is unable to meet in certain circumstances.

A BILL FOR AN ACT

1
2 Relating to resource adequacy.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 757.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **“Electricity service supplier” has the meaning given that term in ORS 757.600.**

7 (b) **“Load serving entity” means a person that:**

8 (A) **Secures energy and transmission and related interconnection operation services to**
9 **serve the electrical demand of its customers;**

10 (B) **Serves customers in the service area in this state of a public utility; and**

11 (C) **Is not a municipal electric utility, a people's utility district organized under ORS**
12 **chapter 261 or an electric cooperative organized under ORS chapter 262.**

13 (c) **“Physical resource” includes demand response resources and other demand side re-**
14 **sources.**

15 (d) **“Qualifying capacity” means the contribution of a specified physical resource, in**
16 **whole or in part, which is deemed to provide capacity toward the resource adequacy re-**
17 **quirement established under this section.**

18 (e) **“Resource adequacy” means a condition in which a load serving entity has the quali-**
19 **fying capacity needed to satisfy forecasted future load requirements and operating reserves**
20 **with a sufficient level of reliability.**

21 (2)(a) **The Public Utility Commission shall establish a resource adequacy requirement**
22 **applicable to all load serving entities. The commission shall measure resource adequacy, and**
23 **the sufficient level of reliability, through use of a loss of load probability, loss of load ex-**
24 **pectation or similar metric. Under the requirement, a load serving entity must plan for,**
25 **procure and demonstrate qualifying capacity that is adequate to meet or exceed the metric**
26 **for resource adequacy.**

27 (b) **The commission shall establish the methodologies to be used by load serving entities**
28 **in determining qualifying capacity. In establishing the methodologies, the commission may**
29 **consider:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (A) Fuel sources;
- 2 (B) Dispatchability;
- 3 (C) Variability;
- 4 (D) Delivery arrangements;
- 5 (E) Correlation to the load serving entity's load profile;
- 6 (F) Aggregated customer load profile;
- 7 (G) Contract duration or ownership, including required minimum percentages of long-
- 8 term contracts of 10 years or longer;
- 9 (H) Availability; and
- 10 (I) Other methodologies employed by regional programs.
- 11 (c)(A) A load serving entity must submit a resource adequacy plan to the commission on
- 12 a regular schedule that describes how the load serving entity will meet the resource ade-
- 13 quacy requirement during the plan interval established by the commission. The plan must
- 14 contain:
- 15 (i) Forecasted load during the plan interval;
- 16 (ii) The total amount of qualifying capacity being used to meet the resource adequacy
- 17 requirement;
- 18 (iii) A listing of individual physical resources and their associated qualifying capacity; and
- 19 (iv) The actions that will be taken by the load serving entity to remedy any predicted,
- 20 anticipated or estimated qualifying capacity shortfall.
- 21 (B) The commission may require the load serving entity to provide multiple load fore-
- 22 casts and multiyear estimates of availability of the qualifying capacity being relied upon to
- 23 satisfy the resource adequacy requirement.
- 24 (C) An entity that engages in integrated resource planning pursuant to commission order
- 25 may utilize information developed in that planning process to inform the resource adequacy
- 26 plan, if applicable.
- 27 (d) The commission may:
- 28 (A) Acknowledge the resource adequacy plan of a load serving entity if it determines that
- 29 the plan satisfactorily meets the resource adequacy requirement; or
- 30 (B) Identify areas of the plan that require additional analysis, actions or planning, and
- 31 direct the load serving entity to resubmit the plan after performing the additional analysis,
- 32 actions or planning.
- 33 (e) The commission may request from load serving entities information that describes
- 34 how, in developing its resource adequacy plan, the load serving entity considered:
- 35 (A) The development of new physical resources and contractual commitments for phys-
- 36 ical resources that support regional resource adequacy.
- 37 (B) The establishment of new or the maintenance of existing customer programs that
- 38 support resource adequacy.
- 39 (C) The state's goals and requirements for transportation electrification, greenhouse gas
- 40 emissions reduction and promotion of renewable energy.
- 41 (D) Significant or anticipated changes in the number or energy demands of customers
- 42 receiving electricity through direct access pursuant to ORS 757.600 to 757.689.
- 43 (E) Regional capacity that is not under contract or accounted for in other plans.
- 44 (3) The commission shall require each load serving entity, at multiple intervals on a
- 45 schedule determined by the commission, to periodically demonstrate to the commission that

1 the load serving entity is continuing to meet the resource adequacy requirement and
2 achieving any actions contained in its resource adequacy plan. The commission shall require
3 the demonstration immediately if the commission determines that circumstances in the en-
4 ergy markets or regional power supply, or other factors, warrant the immediate demon-
5 stration. After considering the demonstration provided, the commission shall commence an
6 investigation, begin a proceeding or take another action as necessary to make a determi-
7 nation regarding compliance with the resource adequacy requirement and actions contained
8 in the resource adequacy plan.

9 (4) If an electricity service supplier fails to demonstrate, to the satisfaction of the com-
10 mission, that the electricity service supplier is able to meet the resource adequacy require-
11 ment, the commission may direct a public utility, for customers served by the electricity
12 service supplier within the public utility's allocated service territory, to pay for, acquire and
13 procure physical resources and qualifying capacity to meet the resource adequacy require-
14 ment. The commission shall allow the public utility to recover, from the electricity service
15 supplier or the electricity service supplier's customers, through a mechanism approved by
16 the commission, all prudently incurred costs of acquiring the physical resources and quali-
17 fying capacity to meet the resource adequacy requirement on behalf of the electricity service
18 supplier.

19 (5) In developing the requirements under this section, the commission may consult with
20 public utilities, electricity service suppliers, customer advocates and regional or national
21 power supply and reliability organizations.

22 (6) The commission may consider coordination and integration with any multistate, re-
23 gional or national entity in the development of a resource adequacy requirement under this
24 section and may consider resource adequacy requirements or obligations imposed on load
25 serving entities by those multistate, regional or national entities when acknowledging plans
26 under subsection (2)(d) of this section.

27 (7) Load serving entities required to submit plans and demonstrate resource adequacy
28 under this section are subject to the jurisdiction of the commission for that purpose under
29 ORS 756.990.

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