

Support SB 318: Ensuring a reliable, affordable clean energy future

As part of each fully regulated electric company's **integrated resource planning** (IRP), utilities plan years in advance and acquire the necessary resources to ensure that electricity is available and affordable with independent oversight from the Oregon Public Utility Commission (PUC). As Oregon experiences population growth, customers adopt newer, cleaner technologies such as transportation electrification, and business needs change, we must be more intentional about planning for a reliable energy future, which includes ensuring we are resource adequate.

Resource adequacy means ensuring that resources will be there when we need them and are most effective in supporting a reliable system where *all* providers contribute.

What's the issue?

- Today, regulated electric companies demonstrate to the PUC that they are planning for resource adequacy to serve the forecasted load of customers on our systems.
- Some larger industrial customers located within the service territory of electric utilities purchase their power from electricity service suppliers (ESSs), who are not currently required to show they are planning for resource adequacy.
- In 2019, approximately 8% of investor owned utility (IOU) average annual load was not subject to planning requirements and oversight like the IRP process. That number could grow to closer to 12% given new programs that allow for unplanned load to opt-out prior to even coming online.
- The utility, as the Provider of Last Resort, is required to serve as the energy backstop for ESS customers should their ESS fail to serve but is only allowed to plan for (and therefore ensure resource adequacy for) the customers of the utility not served by ESSs. This can create a mismatch between how much capacity the IOU has access to and how much energy might be needed.

There is work underway to address resource adequacy across the Northwest:

- At the regional level, members of the Northwest Power Pool (NWPP), including PGE, are exploring the creation of a voluntary, regional resource adequacy program, in addition to utilities' own planning efforts and actions. This program would take 1-3 years to fully implement and would be focused on near-term forecasting. The NWPP helps utilities coordinate to maintain regional reliability, representing seven U.S. states and the two Canadian provinces that are part of the western grid.
- At the state level, the PUC recently opened a docket (UM 2143) to explore the timely need for resource adequacy.

SB 318 closes the gap between regional efforts and state efforts to ensure resource adequacy:

- Provides the PUC with clear authority to establish requirements to ensure resource adequacy.
- Enables the PUC to assess resource adequacy for both IOUs and ESSs.
- Enables the PUC to direct the utility to be a backstop if a load serving entity fails to adequately demonstrate resource adequacy.
- Allows for PUC consideration of any multistate, regional or national resource adequacy program that affects load serving entities in the state.

