

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF PACIFICORP DBA ROCKY MOUNTAIN POWER TO UPDATE ELECTRIC SERVICE REGULATION NO. 13 – CURTAILMENT PLAN FOR ELECTRIC ENERGY)))))	CASE NO. PAC-E-15-10 ORDER NO. 33519
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On June 25, 2015, PacifiCorp dba Rocky Mountain Power filed an Application seeking authority to update and revise its Electric Service Regulation No. 13 Curtailment Plan (“Curtilment Plan”). Generally, the Curtailment Plan sets out the actions that the Company will employ during periods when it experiences energy shortages. Rocky Mountain last filed a Curtailment Plan with the Commission in 1993, and the current Application is the first update to that plan. *See* Application at 2; Order No. 25259. According to the Company, over the last 22 years, changes in technology, industry practices, and increases in generation capacity have made the 1993 Curtailment Plan obsolete.

Rocky Mountain proposed to update the plan to include new provisions for load reduction with demand-side management and emergency load shed groups, removal of financial penalties, and clarification regarding what entity can initiate load curtailment. Shingleton Direct at 2. Compared to the 1993 Plan, the proposed plan covers a broader range of events that could lead to a load curtailment situation, incorporates new curtailment sources, and addresses long and short-term supply emergencies. *Id.* at 2-5.

On July 22, 2015, the Commission issued a Notice of Application and set an intervention deadline of August 5, 2015. No one applied for intervention. On December 3, 2015, the Commission issued a Notice of Modified Procedure. On February 25, 2016, Commission Staff filed the only comments in this matter; the Company did not file reply comments.

Based upon our review of the Application, Staff comments, and the applicable law, we approve Rocky Mountain’s Application and adopt its proposed Curtailment Plan.

THE CURTAILMENT PLAN APPLICATION

Rocky Mountain used parts of the 1993 Plan as a starting point and combines elements of the Company Emergency Management Plan filed in 2001. The Proposed Plan (“Plan”) addresses long-term energy shortages and temporary power interruptions due to emergencies or variations in system conditions. The Plan provides for rotational curtailments to minimize the

impact of both long-term energy shortages and temporary power interruptions. The Plan states that the Company will seek to avoid curtailment of circuits that serve essential services during rotational load curtailments, thus avoiding curtailment of hospitals, 911 centers, airports, prisons, and other vital facilities.

The Company claims that the Plan focuses on “practical and actionable operational activities the Company can initiate during emergencies to minimize adverse impacts to consumers and restore system stability.” *Id.* By way of summary, the Company claims the Plan will reflect current technology, available resources, practices, and procedures. The Company also maintains that the Plan aligns with its operational approach to load curtailment, and specifically addresses: operation standards; proper initiation of load curtailment; automatic, remote, and manual actions; various curtailment stages; interruptible loads; block rotation; emergency load shed groups; minimization of potential impacts of curtailment; and notification issues.

Notably, Rocky Mountain also proposes elimination of portions of the 1993 Plan that relate to financial penalties and how curtailment is audited and tracked. *Id.* at 3. The Company argues that inclusion of financial penalties is inappropriate in light of Commission Order No. 25259, which stated “[the Commission’s] preference that utilities not incorporate monetary penalties within their respective plans.” *Id.*

STAFF COMMENTS

Staff provided comprehensive comments on the Company’s approach. Staff agreed with the projected application of the Plan and recommended approval. In comments, Staff encouraged the Company to continue to seek tabletop exercises that will improve operations and notification procedure; develop refined regional standards; explore additional load shed programs; and incorporate better data into the Peak Reliability Coordinators Western Interconnection model to increase situational awareness and reliability.

Upon a thorough review of the Company’s Plan, Staff believes that the Plan is in the public interest and promotes the public health, safety and welfare. Staff also maintained that the Plan is workable and technically feasible and that the Plan would minimize the impacts on customers relating to curtailment actions taken by the Company. On these grounds, Staff recommended approval of Rocky Mountain’s Curtailment Plan.

LEGAL STANDARD

Idaho Code § 61-531 requires all electric corporations to maintain a plan or procedure for the curtailment of electric or gas consumption during emergencies. *Idaho Code* §§ 61-531-532 requires these procedures be submitted and reviewed by the Commission. In reviewing the curtailment procedures or guidelines, the Commission is to consider: (1) consistency of the procedures with the public health, safety and welfare; (2) the technical feasibility of implementing the procedures; (3) and the effectiveness with which the procedures minimize the impact of any curtailment on customers. *Id.*

DISCUSSION AND FINDINGS

A. Public Health, Safety and Welfare

We find that the Plan adequately addresses the Company's responses to both long-term and temporary power shortages/interruptions. The Plan states that the Company will endeavor to contact the Commission prior to any outages. *See* Application, First Revision of Sheet No. 13R.6. Such reporting is significant because the Commission is the designated Energy Emergencies Coordinator for response and recovery efforts dealing with significant disruptions in energy supplies for all hazardous emergency situations. *See Idaho Code* § 46-1001.

We further find that the Company's Plan is consistent with maintaining public health, safety and welfare. Specifically, the Plan adequately addresses maintaining circuits that serve essential services. Regarding essential services, we recognize that total avoidance of curtailment actions is not always possible, but we expect Rocky Mountain to take serious its commitment to identify and avoid curtailment of circuits that serve essential services. The plan identifies a reasonable approach for notifying customers and other stakeholders about curtailment events. Consequently, we find that the Plan reflects acceptable and prudent practices for curtailment.

B. Technical Feasibility

We find implementation of the Plan technically feasible. It outlines standard procedures and actions that may be taken to manage short and long-term energy shortages through the use of interruptible loads, block rotation, and emergency load shed groups. It also outlines a coordinated strategy to manage energy shortage situations, including shedding firm load (i.e., non-interruptible customers) in emergency situations. The Company states in its Application that it continually evaluates its operations through tabletop exercises and participation in regional energy

emergency planning and response programs. Furthermore, the Plan that is being replaced is obsolete, making it unfeasible.

C. Minimize the Impact

While the impact of any curtailment event can only be evaluated on a case-by-case basis, the Proposed Plan intends to curtail geographically diverse curtailment blocks of customers to avoid one area being curtailed more than another, should the need for curtailment arise. Further, when compared to the 1993 Plan, the Proposed Plan incorporates alternatives to typical curtailment, such as DSM capabilities and interruptible customer load shed programs. According to the Company, these programs allow for curtailments when the Company's spinning reserve, transmission margin, or both, are needed to meet system demands. The Proposed Plan also utilizes interruptible customer load as a "first resource" to avoid energy emergencies. We find this consistent with regional energy emergency plans and in the public interest. Finally, the Company states that it will continue to utilize mutual aid agreements to lessen the impact of any major outage or energy emergency.

We find the Proposed Plan adequately minimizes the impact of curtailment on its Idaho customers. We encourage the Company to continue exploring alternative curtailment sources and refining regional standards to ensure both feasibility and to minimize customer impacts.

D. Financial Penalties

The 1993 Plan includes pre-determined financial penalties for customers that do not comply with State-initiated mandatory curtailments. *See* Order No. 25634. The Commission has previously stated that "[i]t is our preference that the utilities do not file curtailment plans incorporating the [financial penalties] of the Regional Curtailment Plan. . . ." Order No. 25259 at 2. We have noted that "[c]onditions could change between now and when mandatory curtailment becomes a necessity such that the imposition of monetary penalties is unwarranted or the amount of the penalties is inappropriate. *Id.* The Company proposes to remove these penalties going forward. We find that the removal of financial penalties is appropriate.

In summary, we find that the Plan contains appropriate procedures for the Company to temporarily interrupt electric service to its customers during emergencies and power shortages. We further find that the Plan provides equitable procedures for the curtailment of power, it minimizes adverse effects to customers, and it strives to maintain system reliability. The Plan contains specific procedures to guide the Company's response from the time a potential problem

is identified until service is restored to normal. We conclude that Rocky Mountain's proposed Curtailment Plan is consistent with the public health, safety and welfare; its implementation is technically feasible; and it minimizes the impacts of any curtailment action.

We encourage and look forward to more frequent updates by all utilities regarding their curtailment plans. Updates and changes to curtailment plans should reflect actual practices and be regularly updated. We applaud continued exploration of new curtailment sources and efforts by Rocky Mountain to implement curtailment in a way that minimizes the impact on customers.

ORDER

IT IS HEREBY ORDERED that the Curtailment Plan filed June 25, 2015, by PacifiCorp dba Rocky Mountain Power is approved and adopted effective immediately.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd
day of May 2016.



PAUL KJELLANDER, PRESIDENT

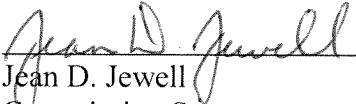


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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