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Attorney for the Commission Staff

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )	
ROCKY MOUNTAIN POWER TO UPDATE )	CASE NO. PAC-E-15-10
ELECTRIC SERVICE REGULATION NO. 13 - )	
CURTAILMENT PLAN FOR ELECTRIC )	COMMENTS OF THE
ENERGY. )	COMMISSION STAFF
_____ )	

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Brandon Karpen, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 33428 on December 3, 2015, in Case No. PAC-E-15-10, submits the following comments.

### BACKGROUND

On June 25, 2015, Rocky Mountain Power (“Rocky Mountain” or “Company”) filed an Application seeking authority to update its Electric Service Regulation No. 13. Electric Service Regulation No. 13 provides the Company’s Curtailment Plan for Electric Energy. The Company has proposed to update the Curtailment Plan to:

- include new provisions for load reduction with DSM and emergency load shed groups;
- clarify the types of entities that can initiate load curtailment;
- cover a broader range of events that can precipitate load curtailment activities; and,
- remove financial penalties.

## STAFF REVIEW

Staff reviewed the Company's Application and proposed Curtailment Plan ("Proposed Plan") to determine if it conforms to the requirements of *Idaho Code* § 61-531 and 61-532. *Idaho Code* § 61-531 requires all electric corporations to maintain a plan or procedures for the curtailment of electric consumption during emergencies. *Idaho Code* § 61-532 requires the plan be submitted and reviewed by the Commission. The Commission must consider by statute, three factors when evaluating such a plan: (1) the consistency of the plan with the public health, safety and welfare; (2) the technical feasibility of implementation of the plan; and (3) the effectiveness with which the plan minimizes the impact of any curtailment. *Id.* Staff evaluated the Proposed Plan based on these three factors.

### Consistency of the Plan with Public Health, Safety and Welfare

The Proposed Plan will be in effect 24 hours a day, 365 days a year, to help ensure the Company is able to:

- match customer demand and electrical supply generation;
- maintain the integrity of the electricity network;
- deploy available resources to restore electrical supply to normal as soon as is practicable;
- apply existing processes to keep customers and stakeholders informed of the state and progress of the incident or emergency;
- utilize communication avenues to appeal to customers to reduce energy consumption;
- coordinate with appropriate agencies to provide options to lessen the impact to customers; and,
- meet applicable operating standards.

The Proposed Plan is written to address both long-term energy shortages and temporary power interruptions due to emergencies or variations in system conditions. The Company's Proposed Plan provides for rotational curtailments to minimize the impact of both long term energy shortages and temporary power interruptions. Rotational curtailment would be initiated if, for example, there were reliability concerns with neighboring utilities or during localized energy deficiencies. Production Response to IPUC Request Nos. 22 and 24. Rotational load curtailment blocks of 100MW are used in the event of company-wide energy deficiencies. There is one block that is less than 100 MW dedicated to Idaho, controlled by Supervisory Control and Data Acquisition ("SCADA"). That block is capable of being dissected to reduce the amount of

curtailment. The Company maintains that its ability to shed load within Idaho is determined during the day of the curtailment event and is dependent upon the extent of the energy deficiency and the affected area. Staff agrees it is appropriate for the Plan to address both long term and short term curtailments that result in power outages because both may pose a risk to public health, safety, and welfare.

The Proposed Plan states that, where possible, the Company will seek to avoid curtailment of circuits that serve essential services during all rotational load curtailments. Essential facilities identified by the Company include: hospitals, 911 centers, airports and FAA facilities, large sewer and water treatment plants, major metropolitan downtown core areas, facilities critical to electric system operation, prisons, police and fire stations including related computer and communication centers, radio, TV news, emergency broadcast stations and transmitting facilities, and U.S. military installations.

Staff notes that the Company includes a caveat within the Proposed Plan, that suggests actual avoidance of essential services during rotational load curtailment may not be possible:

Where known and feasible within operational parameters, distribution feeders serving facilities essential to the public welfare are avoided during rotational curtailment. However, it should be noted that the Company cannot definitively account for all such facilities, nor is it possible to exclude every known facility from the impacts of curtailment.

Application, First Revision of Sheet No. 13R.4. The Company also states it has recently conducted surveys to determine which distribution feeders in Idaho serve essential services. The associated service transformers were marked and identified in the Company's mapping system as critical loads with an associated ranking of importance. Staff supports these efforts based on the potential improvements this information may pose for public health, safety, and welfare within Idaho.

Staff also considered how the Company provides timely curtailment notification to customers and regulatory stakeholders. Section five of Electric Service Regulation No. 13 presents the notifications and actions the Company will implement during curtailments. In general, the target audiences for notifications are as follows:

- Stage 1: Interruptible Loads and Demand Side Management - Public or news media are not normally contacted.
- Stage 2: Public Appeal for Conservation – Public appeals for voluntary energy conservation may be issued through media outlets, social media platforms, and automated

outbound calling, at the Company's discretion; all nonessential Company use of power will be curtailed, along with requests for the same from governmental agencies, nonessential use in all large buildings, and specifically requested major use customers. Mandatory curtailment may be necessary by utilizing block rotation methods if additional curtailment is required and intensified requests to the public are ineffective.

- Stage 3: Peak Load Curtailment – To the best of the Company's ability the Company will contact key external stakeholders to inform them of imminent rotating outages. The magnitude of the event will dictate the administrative level to which notifications will be made. Key external stakeholders include, but are not limited to the Governor's office, Utility Commissions, State energy/emergency response officials, Legislative leadership, and key customer accounts.
- Stage 4: Block Load Curtailment – In addition to those actions taken under Stage 3, and to the extent possible, customers in the areas targeted for rotating outages will be notified and provided with an estimate of curtailment initiation and duration.
- Stage 5: Emergency Load Shed Groups – All internal and external notifications will occur as soon as information is available.

The Proposed Plan states that the Company, to the best of its ability, will contact the Commission prior to any rotating outages. Application, First Revision of Sheet No. 13R.6. Staff notes that the State of Idaho is required to plan and prepare for disasters and emergencies that are natural or man-caused. *Idaho Code* § 46-1001, *et seq.* Additionally, *Idaho Code* § 61-533 provides that the Commission shall have the authority to "declare an emergency" upon a finding that an "inadequate or insufficiency of electric power and energy" threatens the health, safety and welfare of the citizens of the state. This is important because the Commission is the designated Energy Emergencies Coordinator (i.e., ID-ESF #12) for response and recovery efforts dealing with significant disruptions in energy supplies for all hazardous emergency situations.<sup>1</sup>

Staff agrees that the Proposed Plan must appropriately address how the Company will provide timely and accurate information to key audiences and stakeholders. Staff believes the Proposed Plan reflects a public-private partnership. This public-private partnership relies on the Company's roles and responsibilities as a supplier of energy in Idaho, and reflects the need for

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<sup>1</sup> The Idaho Emergency Operations Plan delineates emergency response procedures, responsibilities, and lines of authority using functional annexes that are assigned to lead coordinating agencies according to *Idaho Code* § 46-1001, *et seq.* ID-ESF #12 addresses the response and recovery efforts dealing with significant disruptions in energy supplies for all hazardous emergency situations. Examples of hazardous energy emergency situations include physical disruption of energy transmission and distribution systems, unexpected operational failure of such systems, planned interruptions, or unusual economic or international political events.

the Company to provide timely and accurate information, conduct assessments, prioritize its response and conduct restoration efforts. Staff agrees with the Company's approach and encourages the Company to continue to seek opportunities to participate in table top exercises that support existing operations and notifications procedures.

### **Technical Feasibility of Plan Implementation**

Staff reviewed the Company's Operating Standards and pertinent sections of the Proposed Plan for technical feasibility. Section one of the Proposed Plan provides the purpose and overview. Section two details the Company's use of automatic, remote, and manual actions. Section three defines five curtailment stages that are associated with increasing energy deficits. Finally, Section four describes how the initiation of load curtailment will utilize interruptible loads, block rotation, and emergency load shed groups.

The Proposed Plan presents how the Company's Operating Standards are subject to bulk electric system reliability and operating standards. It also outlines a coordinated effort to manage energy shortage situations and includes shedding firm load in emergency situations. Application, First Revision of Sheet 13R.2. Staff believes it is appropriate for the Proposed Plan to account for regional reliability operating standards and encourages the Company to continue participating in the development and implementation of regional standards to ensure they are technically feasible.

The Company participates in regional energy emergency planning and response programs such as the Northwest Power Pool's (NWPP) Energy Emergency Plan (EEP)<sup>2</sup> and the North American Electric Reliability Corporation (NERC)-coordinated GridEx.<sup>3</sup> Staff believes participation in these table-top exercises is one way the Company evaluates the technical feasibility of the Proposed Plan. Staff encourages the Company to participate in these types of exercises in the future.

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<sup>2</sup> EEP addresses FERC regulations that restrict the ways in which the various elements of the energy industry may communicate, the role of the Peak Reliability Coordinator (RC) to increase the situational awareness and reliability of the Western Interconnection, and the reliability standards and procedures that have been adopted by North American Reliability Council (NERC) to mitigate and communicate reliability problems, including energy emergencies. The Company participated in the 2015 EEP exercise sponsored by NWPP.

<sup>3</sup> PacifiCorp participated in the GridEx III exercise sponsored by NERC on November 18-19, 2015. GridEx III simulated an unprecedented infrastructure crisis, with combined cyber and physical attacks on the North American electric grid. A total of 350 utilities from the U.S., Canada and Mexico took part in the exercise.

### **The Plan's Effectiveness to Minimize the Impact of any Curtailment**

The Company states that it determines the impact of a curtailment event on a case-by-case basis in terms of the amount of load reduction required to resolve an electrical issue or fulfill a mandate. Further, the curtailment blocks included in the plan include geographic diversity so that not one community or county in the same service territory is impacted to a greater extent than another. Staff generally agrees that successful implementation of block rotation is one way the Company can minimize the load that is curtailed and comply with regional reliability standards.

Staff believes it is appropriate for the Company to employ both load reductions and obtain increased generation (from internal or regional resources) to mitigate the need for curtailments. The Company's Proposed Plan incorporates new curtailment sources such as DSM capabilities and interruptible customer load shed programs (e.g., Interruptible Power Service, Electric Schedule No. 24). The Company states that these programs allow for curtailments when the Company's spinning reserve, transmission margin, or both are needed to meet system demands. Staff further observes that the Company utilizes interruptible customer load as a 'first resource' to avoid energy emergencies, which is consistent with regional energy emergency plans. Staff agrees with this approach, particularly how the implementation of these programs may minimize the load that is curtailed. Staff encourages the Company to ensure interruptible loads are available, and that it is technically feasible to use them, in the future.

The Company states that it also utilizes mutual aid agreements to lessen the impact of major outage events caused by severe weather or other long-duration emergencies. Current mutual aid agreements include: (1) Berkshire Hathaway Energy internal mutual aid agreement, (2) Western Region Mutual Assistance Group, as lead by the Western Energy Institute, and (3) Edison Electric Institute Mutual Assistance Agreement. Staff supports the Company's participation in mutual aid agreements.

Staff believes the Company's efforts to comply with regional operation and contingency standards mitigates and reduces the need for the Company to curtail firm load. Furthermore, the Company relies, in part, on the Peak Reliability Coordinator's ("RC") model of the Western Interconnection for operating standards implementation. See Application, First Revision to Sheet 13R.1. Staff believes that a high quality and accurate representation of the Western Interconnection by the Company and Peak RC will assist with situational awareness, operational planning, seasonal preparedness, and outage management - such that, load curtailment amounts



and frequency are further minimized. Staff encourages the Company to work with the Peak RC to improve the reliability of the Western Interconnection and believes it is very important for the Company to provide Peak RC with: (1) accurate load forecasts; (2) current and accurate remedial action schemes; and, (3) all requested SCADA data including breaker/switch status and analog measurements.

### Planned Outages

Staff believes that the impact to critical services or at-risk populations may increase during planned outages when environmental conditions dramatically change immediately preceding or during the outage. These situations may not impact the operating standards or reliability of the Company's distribution or transmission system, but they could impact the health, safety, and welfare of Idaho citizens. Consequently, Staff examined the Proposed Plan to ensure that the Company's procedures minimize the impact of *any* curtailment on customers, including curtailment due to planned outages.

The Company's Customer Guarantees program includes planned outage notifications. Company Regulation 25(g). Further, during this review of the Company's Proposed Plan, the Company clarified that:

...planned outage notifications are delivered to impacted customers at least 48 hours prior to the beginning of the planned outage time. If possible, large planned outages affecting entire communities will be communicated with more advanced notice. Each community in our service territory is assigned a customer and community manager to act as the liaison to address any issues brought forward by city leadership.

If scheduling allows, outage times are often scheduled to accommodate the special needs of the affected community, examples of these special needs could be limitations with water, sewer or special city events. In addition, and if scheduling allows, outages impacting large industrial and commercial customers are scheduled to coincide with their plan maintenance activities when possible. As an example, the Company coordinates planned outages with Monsanto in Soda Springs, Idaho to coincide with their internal maintenance schedules to lessen the impact.

For load curtailment events, efforts that include appropriate agencies are undertaken to reduce the impact to customers. Examples of these efforts could include re-configuration of the electrical network or working with inter-connected entities to change relay settings or utilize emergency ratings for transmission lines and transformers.

Production Response to IPUC Request No. 16. Staff believes the primary intent of the I3R Curtailment Plan for Electric Energy is to address operations and communications during *energy*

*emergencies*. However, Staff also believes it is important for the Company to coordinate with other entities to lessen customer impacts during *planned outages*. Staff acknowledges the steps the Company takes in order to lessen customer impact during planned outages. Similar to energy emergencies, Staff suggests the Company include emergency response personnel in the communications protocols to further reduce potential impacts during large or extended planned outages.

### Removal of Financial Penalties

Previous Curtailment Plans approved by the Commission included pre-determined financial penalties for customers that do not comply with State-initiated mandatory curtailments.<sup>4</sup> However, in 1993 the Commission provided guidance on the issue of financial penalties stating that:

It is our preference that the utilities do not file curtailment plans incorporating the... (financial penalties)...of the Regional Curtailment Plan in its present form. Conditions 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.

Order No. 25259, at 2. Further, the current Curtailment Plan also contains pre-determined financial penalties. The inclusion of these pre-determined penalties is contrary to Order No. 25634 (November 1993) in which the Commission approved the Company's Modified Regional Plan where penalties for non-compliance was modified to read as follows:

The Commission will take whatever measures available and appropriate, including the imposition of financial penalties, at the time of mandatory curtailment is instituted to ensure that consumers comply with the mandates of the plan.

Order No. 25634, at 1. The Company proposes to remove these requirements. The Company states that it is unable to determine why the financial penalties provisions have not been eliminated previously. The Company also states the financial penalty provisions in current tariffs for Oregon, Washington, and California, which are similar to those in the current Curtailment Plan, have not been applied. Staff evaluated the EEP and discovered that as it has

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<sup>4</sup> Previously, the Company filed a Modified Regional Plan as its Curtailment Plan with the Commission in 1993. IPUC Order No. 25634. The Commission adopted the Curtailment Plan during Case No. GNR-E-93-2, Order No. 25634. In 2001, the Company filed an Emergency Management Plan for Commission review and approval. IPUC Order No. 28877.



evolved over the years, it too has eliminated the role of financial penalties to achieve customer load curtailments.

Staff agrees with the removal of the financial penalties. It appears the Company has the ability to adequately curtail load through block rotations, DSM capabilities, interruptible customer load shed programs, and emergency load shedding, thus alleviating the need for penalties to encourage mandatory load reductions by customers.

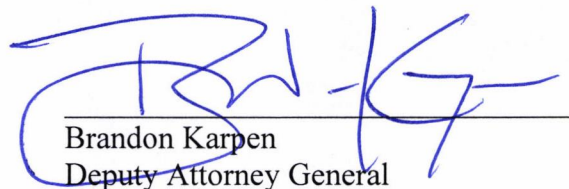
#### Updates to the Curtailment Plan

The Company states that, should any annual review or audit identify necessary changes and updates to the Company's 13R Curtailment Plan for Electric Energy it will notify the respective Commission(s) of changes and submit the updated plan for approval. The Company states that it also conducts audits and reviews its emergency plans developed in support of the Proposed Plan. Staff believes the Company will continue to monitor its curtailment plan. Staff also encourages the Company to participate in table-top exercises with emergency response stakeholders to improve the Company's review of the Proposed Plan and the emergency plans developed in support of the Proposed Plan.

#### **RECOMMENDATIONS**

Staff conducted a thorough review and believes that the Proposed Plan comports with *Idaho Code* §§ 61-531 and 61-532. Consequently, Staff recommends approval of the Company's Curtailment Plan for Electric Energy.

Respectfully submitted this 25<sup>th</sup> day of February 2016.

  
Brandon Karpen  
Deputy Attorney General

Technical Staff: Johanna Bell

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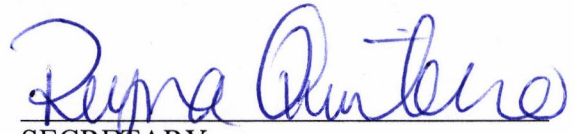
## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25<sup>th</sup> DAY OF FEBRUARY 2016, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-15-10, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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