



Frequently Asked Questions

General Integrated Resource Plan (IRP) Information

The following provides answers to some of the frequently asked questions about the Public Utility Commission of Oregon (PUC) and its review of Integrated Resource Plans (IRP) filed by energy utilities.

GENERAL PUC & IRP INFORMATION

What is the Public Utility Commission (PUC)?

The PUC is a state agency charged with ensuring that privately-owned utilities operating in Oregon provide their customers with safe, reliable and high quality service at just and reasonable rates.

What is an Integrated Resource Plan (IRP)?

As part of the regulatory oversight, the Commission requires all energy utilities to file a long-term resource plan, called an Integrated Resource Plan (IRP), every two years. The PUC first established the IRP process in 1989.

An IRP presents a utility's current thinking on how it plans to meet the future energy and capacity needs of its customers. The IRP will include the utility's estimate of those future energy needs, its analysis of the resources available to meet those needs and the activities required to secure those resources.

What is the goal of an IRP?

An IRP, and the process used to develop it, helps ensure that a utility engages in careful resource planning. The IRP process requires a utility to consider all known resources to meet energy needs. These include not only traditional "supply-side" resources, such as generation and market purchases, but also "demand-side" resources, such as energy efficiency, conservation and load management. The goal of the IRP is to identify the mix of all available resources that provides an adequate and reliable supply of energy at the least cost and risk to the utility and its customers.

What is the role of stakeholders and the public in the IRP process?

When drafting an IRP, the utility must conduct outreach to engage stakeholders and the public as part of the process. Such participation must include opportunities to contribute information and ideas, as well as the ability to make relevant inquiries of the utility when formulating its resource plan.

Once an IRP is finalized, the utility files its IRP with the PUC for review. The PUC will then initiate a six-month review period, during which the utility, the PUC staff, stakeholders and the public may provide additional comments on the IRP, as well as make recommendations to the PUC. Unlike many PUC proceedings, the IRP process is not a formal, judicial-type proceeding, but rather an informal, legislative-type process that allows for broader public participation.

How often are utilities required to file an IRP?

A utility must file an IRP within two years of its previous IRP acknowledgement order. If the utility does not intend to take any significant resource action for at least two years after its next IRP is due, they may request an extension of its filing date from the Commission.

What is a typical timeline for IRP review?

1. A utility must file an IRP within two years of its previous IRP acknowledgement order.
2. PUC staff and parties must complete their comments and recommendations within six months of the IRP filing.
3. The Commission will consider comments and recommendations on an IRP at a public meeting before issuing an order of acknowledgement. The Commission may provide the utility an opportunity to revise their plan before issuing an acknowledgement order.
4. Each utility must submit an annual update on its most recently acknowledged plan, which is due on or before the acknowledgement order anniversary date.

What is the PUC's role in the IRP process?

The PUC will review the final IRP, as well as comments, and decide whether to “acknowledge” the IRP, which means the PUC finds the IRP to be reasonable based on the information presented. PUC acknowledgement does not alter the basic roles of the PUC and the utility in the regulatory process. The utility retains full responsibility for making resource decisions and accepting the risk of those decisions. Additionally, the utility retains its autonomy while having the benefit of information and opinions contributed by the PUC, stakeholders and the public.

After an IRP is acknowledged, the utility can choose to pursue its planned action items and acquire the identified resources. For certain acquisitions, the utility must use a competitive bidding process to help encourage development of low-cost resources.

PUC acknowledgement also does not constitute pre-approval of any proposed resource actions. Once a new resource is required, the utility may initiate a rate proceeding to recover the cost associated with the resource. At that time, the utility will be required to demonstrate that its

acquisitions of any resource was advisable and in the public's best interest. It may point to prior acknowledgement of an IRP identifying that resource to support its decision but this is not guarantee of favorable rate-making treatment.

Does the PUC consider environmental factors when reviewing an IRP?

Yes, in two respects. The goal of the IRP process is to help ensure the utility acquires resources that are the least cost and risk. This requires an analysis of risks and benefits associated with potential resources. As part of this examination, the PUC requires the utility to examine all environmental compliance costs associated with resource options. To ensure that an IRP is consistent with the public interest, the PUC also requires the utility to examine state and federal energy policies, which often include environmental considerations.