

Western proposes alternatives to Integrated Resource Planning criteria

"The Integrated Resource Planning Review Team has put in a lot of effort, leading customer meetings across Western's service territory and working collaboratively to develop a new rule. Now we're halfway home," announced **Simmons Buntin**, an energy services specialist and team project manager at the CSO.

Buntin is referring to the Review Team's work to revise Western's current IRP approval criteria. The team's proposed rule to change the IRP approval criteria was published Nov. 17 in the *Federal Register*. The final version will be published after a public comment period.

Under the Energy Policy Act of 1992, Western's firm power customers must prepare and implement IRPs, demonstrating they considered all supply- and demand-side energy options when planning to meet customer energy needs.

The IRP process also requires full public participation, load forecasting, efforts to minimize adverse environmental effects of new resource acquisitions and evaluation of success. Customers submit annual updates based on their IRPs, providing data necessary for Western to report on IRP progress in our annual report.

Because EPA Act directs Western to review its IRP regulations before Jan. 1, 2000, the review team convened earlier this year. The review began with an assessment of industry changes currently affecting Western customers. Team members then met with customers to determine what changes in the rule, if any, are necessary to ensure customer competitiveness. Customer feedback gave the team a basis for developing recommendations for revising the existing IRP regulations.

Some customers believe IRPs are burdensome and duplicate other state and

Federal reporting efforts. Others find the process valuable, especially for long-term planning and energy forecasting. However, with restructuring occurring in some states, the plans no longer meet many customers' needs. The overwhelming consensus among customers is that greater flexibility is needed

The one-size fits all concept no longer works.

Based on this constructive feedback and further research, team members put their

heads together and created both a streamlined IRP process and additional alternatives that will enable customers to meet the intent and spirit of EPA Act.

Here's what they came up with:

- ◆ The IRP process itself would be revised so customers could develop their own action planning timeframes as compared to the required two- and five-year timeframes of the existing regulations. Additionally, least-cost analysis would no longer be required. To safeguard proprietary information, customers would only submit summary information for all criteria, rather than the full analyses now required.
- ◆ A small customer plan with limited application is currently the only alternative to IRP. Under the proposed rule, the small customer alternative would be open to all small utilities regardless of their affiliation with others, as well as to all end-use customers.
- ◆ Three new alternatives are proposed: minimum investment report, public benefits report and energy efficiency/renewable energy report.

The minimum investment report alternative would allow customers to comply by adopting a minimum level of financial or resource investment in energy efficiency initiatives and/or renewable energy activities required by state, tribal, or Federal law.

The public benefits report would allow customers to comply by participating in a public



benefits program required by state, Federal or tribal law. In such a program, a defined minimum percentage of a customer's gross revenues is devoted to public purposes, including energy efficiency, renewable energy, research and development and low-income energy assistance.

The EE/RE report alternative would allow state and Federal end-use customers to comply by submitting energy efficiency and/or renewable energy reports required by state or Federal law.

Western is taking public comments on the proposed rule through Dec. 30. Team mem-

bers hosted a public forum in Denver on Nov. 30. Customer and other stakeholder comments will be carefully assessed and incorporated into a final rule that should be published next spring.

"Getting the proposed rule published was only an intermediate step," noted **Bob Harris**, UGP power marketing manager and team sponsor. "Now we need feedback and a lot more hard work to hammer out a final rule. Fortunately, we have a dedicated team that works well together. We're all looking forward to the challenge."