

Straw Man Objectives for 4 CSR 240-22

(... and some comments from workshop attendees in sub-bullets)

010

- Electric utilities provide the public with energy services that are safe, reliable and efficient, at just and reasonable rates, in compliance with all relevant federal, state and local energy and environmental policies, and in a manner that serves the public interest.
 - Delete “and local”
 - “compliance with all relevant federal and state energy and environmental policies” is overarching objective/principle to cover EISA and any other relevant policy or relevant law
- Well documented preferred resource plan of each utility is consistent with the current business plan of the utility and optimizes the long-term value for the utility’s shareholders and customers.
 - Preferred resource plan is the public part of the business plan
 - Chairman of the Board of Directors approves the resource acquisition strategy
 - Optimizing the long term value for shareholders and for customers is often at odds
- Each utility uses an efficient and effective resource planning process that utilizes many of the resource planning best practices of the utility’s industry peer group.
 - This overarching objective/principle would apply to each rule and would replace the need for prescriptive rule language concerning process and analyses
 - Each utility will document the best practices it considered for each rule and the process the utility used to decide which best practice to use for each rule
- Opportunity for stakeholder input to help assure a healthy level of transparency and balance.
 - Delete “a healthy level of”
 - Price objective helps bring focus to the fact that the utilities may not be positioned to promote the most cost-effective social benefits, e. g., codes and standards, unless there is rate regulatory reform
- High quality summary of each utility’s preferred resource plan which is readily available to the utility’s customers and the general public and which contains easily interpretable tables, graphs and maps and does not contain any complex or highly technical language.

020

- Clearly defined terms used in 4 CSR 240-22.

030

- High quality energy and demand forecasts that are produced with proven and well-documented methods and models and that are in a format that can be passed on to the integration process in 4 CSR 240-22.060.
 - What are “proven” models and methods?
- Energy and demand forecasts which include a base growth forecast, a high growth forecast and a low growth forecast with documentation and discussion of public policy, econometric and demographic drivers impacting each forecast and of the probability of each forecast occurring. These forecasts are developed using the best available data and include the impacts of implemented demand-side programs on energy and demand forecasts.
 - Examine changes in relationships between the drivers
- Retention, analysis and formatting of historic and forecast end-use load data in a way that the data may be useful in 4 CSR 240-22.050 to identify end-use measures that are potential demand-side resources.
 - When available as a result of end-use load analysis and forecasting
 - End-use load forecast is not required in draft 030, only end-use load analysis for residential class (and possibly small commercial class)

040

- Identification of a wide variety of potential supply-side resource options which the utility can reasonably expect to develop and implement based upon their relative annualized utility costs as well as their probable environmental costs.
 - EPAC uses the word “diversity” instead of wide variety
- As a result of evaluation and screening analysis, selection of those supply-side resource options that have significant advantages in terms of utility costs, environmental costs, operational efficiency, risk reduction and planning flexibility as compared to other available supply-side resource options.
- Analysis and identification of transmission network upgrades capable of reliably supporting the supply-side resource options under consideration and the cost estimates of transmission network upgrades associated with supply-side resources pursuant to 4 CSR 240-22.045.
 - Is this redundant with 045 or just a cross-reference?
- Development of ranges of values and associated subjective probabilities for identified critical uncertain factors related to supply-side resource options to be used in the integrated resources analysis in 4 CSR 240-22.060.

045

- Transmission and distribution network analysis, expansion plans and technology resources for the reliability and cost-effectiveness of the supply-side resource options identified in 4 CSR 240-22.040 and of demand-side resource options identified in 4 CSR 240-22.050.
 - T&D analysis in 045 should be a separate/distinct analysis and should feed into both 040 and 050

- RTO transmission planning process and RTO transmission expansion plans are evolving all the time and should be input to the utility Chapter 22 process to augment any T&D planning at the utility-specific level
- T&D technology resources (e. g., Smart Grid) should be analyzed in 045 for impact on supply-side resources in 040 and on demand-side resources in 050
- Role of stakeholders and Staff interaction with utilities for transparency in the RTO planning process and RTO transmission expansion plans
- 045 should include T&D upgrades for purely reliability reasons and are unrelated to 040 or 050

050

- Evaluation and discussion of demand-side programs best practices as well as documentation and discussion of lessons learned from the utility's previously implemented demand-side programs.
 - Programs and portfolios
 - Assess achievable potentials
 - Why have words "best practices" in 010 and 050 and not in other rules? In 050, best practices refers to a "top down" approach of identifying demand-side programs which are best practices as opposed to having to screen demand-side measures before developing demand-side programs, a "bottom up" approach
 - Impact of Smart Grid on DSM? Including specific language on Smart Grid may date the rules
 - Customer-side generation
 - What is the role of utilities in building codes and appliance efficiency standards (if there are rate regulatory changes)?
 - Input from Rick Voytas of AmerenUE on 050 will be filed separately in EW-2009-0412
- A menu of cost effective (as measured by the TRC test) demand-side programs that can be passed on to the integration process in 4 CSR 240-22.060. This menu should encompass all customer classes, a wide variety of decision makers, promote reductions in both energy and demand, and take into account areas of high energy and demand usage, as well as areas of expected future energy and demand growth. This menu will consist of varying levels of demand-side program energy and demand savings.
- Strategies to evaluate, measure, and verify the performance of demand-side programs that are in the preferred resource plan.
 - Programs and portfolios
 - NPVRR of resource plans with and without DSM portfolio in 070 to quantify the value (NPVRR) of the DSM portfolio
 - At what level(s) should screening (using the TRC or other test(s)) take place ... measures, programs, portfolio?
 - Should some measures with TRC < 1.0 be included in programs to allow for "experimentation"?
- Development and formatting of end-use measures energy and demand data and of demand-side programs energy and demand data in a way that the data may be useful in 4 CSR 240-22.030 to analyze the impact of implemented demand-side programs on historic load data.

060

- Identification of planning futures which represent distinct future environments in which to assess the performance of alternative resource plans.
 - Is there a way to make the “circularity” of 060 and 070 more clear?
 - Should 060 and 070 be combined?
 - How might 060 and 070 be combined? Staff welcomes proposals.
- Identification of alternative resource plans which: 1) are comprised of an appropriate combination of candidate demand-side resources and supply-side resources, 2) have the potential to achieve or support the planning objectives in 4 CSR 240-22.010 including compliance with all relevant federal, state and local energy and environmental policies, 3) can be expected to perform well in one or more of the planning futures, or 4) have the potential to perform well in many of the planning futures (“robust” alternative resource plans).
 - Add the requirements for the preferred resource plan in 070(6)(A) as conditions which the alternative resource plans should be expected to meet
- Identification of specified key performance measures and an assessment of the relative performance of these measures for alternative resource plans through use of computer models capable of simulating the total operation of the utility on a year-by-year basis for at least 20 years.
- Identification of the candidate resource plans which include: 1) the alternative resource plan(s) which perform best within one or more of the planning futures, and 2) “robust” alternative resource plans which perform well in many planning futures.

070

- Identification of critical uncertain factors which the utility decision-makers determine most materially effect alternative resource plans and development of best practices methods and models used to assess the risks associated with the critical uncertain factors including utility decision-makers determination of the probability of critical uncertain factors occurring in the future.
 - Is there a way to make the “circularity” of 060 and 070 more clear?
- Performance assessment of each candidate resource plan using methods of decision analysis and evaluating critical uncertain factors in determining the value of key performance measures in 4 CSR 240-22.060 for each candidate resource plan.
 - Agreement among stakeholders that OPC’s suggested new sections on financial and regulatory plans be added to 070 (see EW-2009-0412 filing for OPC dated 8/3/2009).
- Documentation, official adoption and implementation of the utility’s resource acquisition strategy including a preferred resource plan, contingency resource plan options, implementation plan for the preferred resource plan and (if appropriate) a financing plan for very high cost resources.

080

- Establish triennial filing schedule and filing requirements for compliance with 4 CSR 240-22.
 - Filing requirements for each rule need to be defined
 - Focus on what is most important for the plan in the reporting requirements and then have the work papers available for more detail
 - As a starting point ... Staff should request that the utilities identify what they believe are high value filing requirements and low value filing requirements
 - If the rules are less prescriptive on analyses to be done (other than selection and use of best practices), what are the appropriate deliverables to demonstrate that the fundamental objectives of each rule are being achieved?
 - What procedure is necessary to ensure that stakeholders get the information they need in a timely fashion in the event that the rules did not expressly require specific analyses be performed?
 - Less prescriptive rules will make it more difficult for stakeholders to find the information they are looking for in order to do their job efficiently and effectively
 - Using processes which are best practices will necessitate that there be much more “trust” between stakeholders and utilities
 - Utilities are concerned that the Chapter 22 process will not align with the utilities’ processes for business planning analyses and for making decisions
 - What should be included in hard copy and what should be electronic?
 - Less prescriptive rules will necessitate more transparency
 - Stakeholders are concerned that the regulators/stakeholders will not get the information they need if the rules are not prescriptive
- Establish filing requirements as a result of “significant” changes to the utility’s resource acquisition strategy.
- Establish reporting requirements as a result of updates to the utility’s resource acquisition strategy.