

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: SB 318 - A <REVISED>

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Michael Graham
Reviewed by: Ben Ruef
Date: March 24, 2021

Measure Description:

Authorizes the Public Utility Commission to determine the resource adequacy and power supply reliability for all load serving entities.

Government Unit(s) Affected:

Public Utility Commission (PUC)

Summary of Fiscal Impact:

The measure is not anticipated to have a fiscal impact, but it may require later budgetary action - See analysis.

Analysis:

Senate Bill 318, A-engrossed, permits the Public Utility Commission (PUC) to determine the resource adequacy for load serving entities. PUC shall determine resource adequacy and the sufficient level of power supply reliability, through use of a loss of load probability, loss of load expectation or similar metric or metrics. If PUC determines resource adequacy for load serving entities, PUC shall require each load serving entity, at multiple intervals on a schedule determined by the commission, to periodically demonstrate that the load serving entity is achieving its resource adequacy. If PUC determines that a load serving entity is not satisfactorily providing resource adequacy, PUC may commence an investigation to identify remedial actions, analysis or planning necessary to correct any deficiency and direct the load serving entity to perform the actions, analysis or planning. If a load serving entity fails to undertake remedial actions, analysis or planning as directed by PUC, the commission may direct a public utility to provide an assessment of the utility's ability to provide resource adequacy for customers served by the load serving entity within the utility's service territory and identify the actions necessary to remedy the deficiency; direct the public utility to provide resource adequacy for customers served by the load serving entity and, if so directed, allow the public utility to recover from the entity and the entity's customers all prudently incurred costs; and revoke or otherwise condition the load serving entity's certification, if the load serving entity is an electricity service supplier. PUC may consider coordination and integration with any multistate, regional or national entity when assessing resource adequacy and may consider resource adequacy requirements or obligations imposed on load serving entities.

Because the provisions in this measure are largely discretionary and would allow PUC to continue its current processes and procedures when investigating resource adequacy, PUC would not necessarily need any additional staff or budgetary resources. However, if PUC were to establish resource adequacy needs, metrics, and planning horizons, engage in ongoing review of long-term planning work, establish a new compliance process to manage investor-owned utilities, and manage new plans and compliance reports for electricity service suppliers serving Oregon, PUC might need additional resources, including additional staff. Should additional staff be needed at some point, funding would come from the annual fee imposed on public utilities by ORS 756.310.

Since PUC plans to continue its current processes and procedures with respect to resource adequacy investigations, the measure is anticipated to have no fiscal impact on PUC. However, if PUC were to implement the measure's discretionary provisions, PUC would likely need to request additional budgetary resources from the Legislative Assembly or the Emergency Board in the future.