AMENDMENT TO H.R. 3628, AS REPORTED OFFERED BY MS. LEGER FERNANDEZ OF NEW MEXICO

Strike section 2 and insert the following:

SEC. 2. DEVELOPMENT OF GUIDELINES AND BEST PRACTICES FOR ELECTRIC UTILITY INTEGRATED RESOURCE PLANNING.

(a) IN GENERAL.—The Secretary, in consultation with State public utility commissions, State energy offices, owners or operators of electric utilities (including investor-owned utilities, municipal utilities, and electric cooperatives), balancing area authorities, Transmission Organizations, and other relevant stakeholders, shall develop guidelines and best practices for integrated resource planning of the electricity system.

(b) REQUIREMENTS.—

(1) KEY ISSUES.—The guidelines and best practices developed under subsection (a) shall address key issues related to integrated resource planning. In developing the guidelines and best practices, the Secretary shall consider, at a minimum, the following issues, while retaining discretion to incorporate additional considerations and to refine the

scope, level of detail, and implementation approaches for each issue as appropriate:

(A) Developing capacity expansion modeling and resource adequacy analysis in an iterative manner to improve integrated resource planning by ensuring the expanded electricity system achieves resource adequacy while minimizing costs.

(B) The consideration of a wide range of alternatives for capacity expansion models to meet resource adequacy targets, including the traditional expansion of electricity generation and transmission capacity and the use of novel grid-enhancing technologies, small and large-scale storage, distributed energy resources, behind-the-meter interventions, and demand-side interventions.

(C) Explicit consideration of electric transmission in capacity expansion modeling and its contribution to resource adequacy and reliability of electricity systems.

(D) The use of an interregional planning approach in capacity expansion modeling to evaluate the resource adequacy benefits of capacity resource sharing across regions, including through collaboration between States, balancing area authorities, electric utilities, Transmission Organizations, and other relevant stakeholders.

(E) The integration of technical, financial, and regulatory information from other fuel supply systems, such as the natural gas network.

(F) The use of scenario analysis developed using capacity expansion modeling and transmission expansion modeling to represent a full range of future characteristics of the electricity system, including the availability of different electricity generating and storage resources, and transmission infrastructure.

(G) The use of probabilistic models in resource adequacy analysis to account for variability and uncertainty in the supply and demand of electricity, including the impact of extreme weather event scenarios, forecasting errors, fuel prices, and other uncertainties on such supply and demand.

(H) The use of historical weather data and forward-looking meteorological projections, including with respect to extreme weather event scenarios, to account for the variability in electricity demand, electricity generation from individual or groups of electricity generators, and electricity system outages to assess resource adequacy.

(I) The use of multiple resource adequacy metrics for assessing resource adequacy to account for the magnitudes, frequencies, and durations of potential events that stress the electricity system.

(J) The use of scorecards that summarize the costs and a wide range of benefits of scenarios developed through the integrated resource planning process, including—

(i) costs of infrastructure investments;

(ii) environmental sustainability;

(iii) resource adequacy and reliability;

(iv) economic impacts; and

(v) other costs and benefits that are relevant to the decision-making objectives of States, electric utilities, balancing area authorities, Transmission Organizations, and other relevant stakeholders.

(K) The use of rigorous mechanisms for capacity accreditation to measure the capacity value of possible investments that support resource adequacy, including—

(i) capacity values for both conventional and emerging generation resources, including distributed energy resources and behind-the-meter interventions;

(ii) capacity values for demand-side interventions; and

(iii) capacity values for transmission infrastructure upgrades and grid-enhancing technologies that enable the deliverability of generating capacity from remote or otherwise constrained generation resources.

(L) The use of probabilistic metrics to measure capacity values that account for probability distributions of the magnitudes, frequencies, and durations of potential events that affect the availability of—

(i) conventional and emerging generation resources, behind-the-meter interventions, and demand-side interventions; and

(ii) transmission infrastructure upgrades and grid-enhancing technologies that enable the deliverability of electricity from remote or otherwise constrained generation resources.

(2) STATE TREATMENT OF INTEGRATED RESOURCE PLANS.—In developing the guidelines and best practices under subsection (a), the Secretary shall consider providing guidance on how State public utility commissions and State energy offices may review and respond to integrated resource plans, including guidance on—

(A) opportunities for public engagement and comment, including well-designed stakeholder involvement processes with several opportunities for feedback and transparent access to data inputs, models, licenses, and other requirements for relevant stakeholders to replicate modeling outputs from integrated resource planning; and

(B) the connection between integrated resource planning outcomes and regulatory actions, such as procurement decisions, certificates of public convenience and necessity, and general rate cases.

(c) PUBLICATION OF GUIDELINES AND BEST PRACTICES.—Not later than 2 years after the date of enactment of this Act, the Secretary shall publish on a publicly accessible website of the Department of Energy the guidelines and best practices developed under subsection (a).

(d) PERIODIC EVALUATIONS AND REVISIONS.—The Secretary shall, not less frequently than once every 5 years—

(1) evaluate the guidelines and best practices published under this section; and

(2) revise such guidelines and best practices and publish such revised guidelines and best practices in accordance with this section.

(e) DEFINITIONS.—In this section:

(1) BALANCING AREA AUTHORITY.—The term ''balancing area authority'' means the responsible entity that—

(A) integrates resource plans in advance of real-time operations;

(B) maintains the balance between electricity demand, electricity supply, and scheduled interchange within the geographic area of the responsible entity; and

(C) supports interconnection frequency in real-time.

(2) BEHIND-THE-METER INTERVENTION.—The term ''behind-the-meter intervention''—

(A) means an action or technology that reduces or shifts electricity demand or provides local electricity generation or storage capacity at the site of a customer; and

(B) includes—

(i) an energy efficiency upgrade, a residential solar panel, an energy storage system, and the actions taken under a demand response program; and

(ii) interventions that help to reduce strain on the electricity system and improve the reliability of the electricity system during peak demand periods or emergencies.

(3) CAPACITY ACCREDITATION.—The term ‘‘capacity accreditation’’ means the process of determining a capacity value.

(4) CAPACITY EXPANSION MODELING.—The term ‘‘capacity expansion modeling’’ means mathematical modeling to identify the least cost investments in generation, storage, behind-the-meter interventions, distributed resource, and transmission infrastructure required to meet future electricity demand, subject to fuel prices, technology cost and

performance, policy and regulation, and other constraints and conditions.

(5) CAPACITY VALUE.—The term ''capacity value''—

(A) means a measure of the contribution to resource adequacy by—

(i) a conventional or emerging generating resource, behind-the-meter intervention, or demand-side intervention; or

(ii) a transmission infrastructure upgrade or grid-enhancing technology that enables the deliverability of electricity from remote or otherwise constrained generation resources; and

(B) includes probabilistic metrics such as effective load-carrying capacity, equivalent firm capacity, and equivalent conventional power.

(6) DISTRIBUTED ENERGY RESOURCE.—The term ''distributed energy resource'' means a small-scale electricity generation or storage system that is located close to the point of use, such as a rooftop solar panel, home energy storage system, or community wind power system.

(7) ELECTRIC COOPERATIVE.—The term ''electric cooperative'' means a not-for-profit entity that—

(A) provides electricity to members of the entity; and

(B) is owned and operated by such members.

(8) GRID-ENHANCING TECHNOLOGY.—The term ''grid-enhancing technology''—

(A) means a technology designed to improve the reliability, efficiency, or flexibility of the electricity system; and

(B) includes a smart grid technology, an energy storage system, and an advanced grid management system.

(9) INTEGRATED RESOURCE PLANNING.—The term ''integrated resource planning'' has the meaning given such term in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602).

(10) MUNICIPAL UTILITY.—The term ''municipal utility'' means a municipal corporation that operates facilities used to generate, purchase, transmit, or distribute electricity to consumers.

(11) RESOURCE ADEQUACY.—The term ''resource adequacy'' means the ability of the electricity system to maintain sufficient, available generating, storage, and transmitting capacity and supporting infrastructure to meet forecasted electricity demand

and system reliability requirements under a range of expected and adverse weather-sensitive conditions, including peak load events, generation availability, and unplanned outages.

(12) RESOURCE ADEQUACY METRIC.—The term ''resource adequacy metric''—

(A) means a quantitative measure of the resource adequacy of the electricity system; and

(B) includes metrics derived from probabilistic analysis, such as loss-of-load expectation, loss-of-load hours, loss-of-load days, loss-of-load years, loss-of-load probability, loss-of-load events, expected unserved energy, and normalized expected unserved energy.

(13) SECRETARY.—The term ''Secretary'' means the Secretary of Energy, acting through the head of the Office of Electricity of the Department of Energy.

(14) TRANSMISSION ORGANIZATION.—The term ''Transmission Organization'' has the meaning given such term in section 3 of the Federal Power Act (16 U.S.C. 796).

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