

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 19th day of March 2015.

GENERAL ORDER NO. 184.35

Integrated Resource Planning

An order requiring electric utilities to file Integrated Resource Plans.

COMMISSION ORDER

The Commission orders all electric utilities in West Virginia to file an Integrated Resource Plan by January 1, 2016.

BACKGROUND

On March 7, 2014, the West Virginia Legislature passed a bill requiring the Commission to issue an order by March 31, 2015:

directing any electric utility that does not have an existing requirement approved by the Public Service Commission that provides for the future review of both supply side and demand side resources to develop an initial integrated resource plan to be filed not later than January 1, 2016, in conjunction with other similar deadlines required by other states or entities of the electric utilities.

W.Va. Code §24-2-19(a).

DISCUSSION

The Energy Policy Act of 1992 defines integrated resource planning as “a planning and selection process for new energy resources that evaluates the full range of alternatives . . . in order to provide adequate and reliable service to [the electric utility’s] customers at the lowest system cost.” 16 U.S.C. §2602(19). “The process shall take into account necessary features for system operation . . . the ability to verify energy savings achieved through energy conservation and efficiency and the projected durability of such

savings measured over time.” Id. Furthermore, the plan “shall treat demand and supply resources on a consistent and integrated basis.” Id.

Pursuant to W. Va. Code §24-2-19, the Commission will require every electric utility serving retail customers and operating in West Virginia to file an Integrated Resource Plan (IRP) on or before January 1, 2016, which shall include all information required by this Order. At least every five years after the initial IRP is filed, each filing electric utility shall be required to file an updated IRP. The process and analyses used to formulate the plan shall be described in a narrative discussion and the results of the analyses shall be provided in both printed and electronic media, presented in tabular format using a Microsoft Excel spreadsheet format. For those utilities that operate or plan as part of an integrated power system or planning pool, the schedules should be submitted for both the individual company and the generation planning pool of which the utility is a member.

Many state utility commissions already require some form of integrated resource planning to be filed formally by electric utilities. At least one electric utility in West Virginia is required currently to file an integrated resource plan in another state. Electric utilities in West Virginia may file plans similar to plans filed in other states as long as those plans include, at a minimum, the information required in this Order.

The Commission has intentionally limited the guidelines to assist electric utilities with the initial filings. Final Clean Power Plan Rules being issued later this year by the United States Environmental Protection Agency (EPA) pursuant to §111d of the Clean Air Act may necessitate modifications to IRPs. The Commission may issue a further order requiring additional information of operational plans in light of those rules or require a timely supplemental filing following the initial IRP required in this Order.

The IRP, which each utility shall develop and keep current, must incorporate, at a minimum, the following:

1. Summary. The IRP shall include a narrative summary detailing the underlying assumptions reflected in the plan. To better follow the utility’s planning process, the narrative shall (i) include a description of the utility’s rationale for the selection of any particular supply-side or demand-side resource to fulfill its forecasted need, and the utility’s evaluation of alternatives considered for each resource option it has chosen, and (ii) describe the internal planning processes of the utility and how the IRP considers or incorporates PJM planning and implementation requirements and how it will satisfy PJM capacity obligations.
2. Forecast. The IRP shall include a three-year historical record and a minimum ten-year forecast of the utility’s native load peak demand and energy requirements, and other system capacity or firm energy obligations, if applicable. In addition, there should

be a minimum ten-year forecast of the supply-side and demand-side resources expected to satisfy those loads. Peak demand should be presented based on peak demand during the PJM peak demand period and peak demand for the utility if that occurs at a different time.

3. Option analyses. The IRP shall include descriptions, analyses and discussions of supply-side and demand-side resource options that were considered by the utility.

FINDINGS OF FACT

1. West Virginia Code §24-2-19 requires the Commission to issue an order not later than March 31, 2015, directing any electric utility that does not have an existing requirement approved by the Commission that provides for the future review of both supply side and demand side resources to develop an initial IRP to be filed not later than January 1, 2016.

2. No electric utilities in West Virginia have an existing IRP for West Virginia filed with the Commission.

3. The EPA plans to issue final Clean Power Plan Rules, pursuant to §111d of the Clean Air Act, in Summer 2015.

CONCLUSION OF LAW

Every electric utility serving retail customers and operating in West Virginia is required to file an Integrated Resource Plan (IRP) on or before January 1, 2016. W. Va. Code §24-2-19.

ORDER

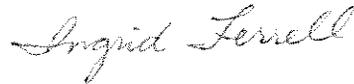
IT IS THEREFORE ORDERED that all electric utilities in West Virginia shall file an Integrated Resource Plan on or before January 1, 2016, and at least every five years after that date. Each Integrated Resource Plan shall be docketed by the Executive Secretary of the Public Service Commission as a new case number.

IT IS FURTHER ORDERED that the guidelines included in this Order shall be used by electric utilities in West Virginia to formulate their initial Integrated Resource Plans.

IT IS FURTHER ORDERED that on entry of this Order this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic mail to all electric utilities operating in West Virginia to the extent that email addresses are maintained by the Executive Secretary for these utilities and by United States First Class Mail on all electric utilities that have not provided the Commission with an email address, and on Commission Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

SMS/sm
go184.35c.doc