Utility Integrated Resource Planning

NW Energy Coalition’s Lunch and Learn

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What is Integrated Resource Planning?

Traditionally a utility led public process to develop a long-term (20+yr) plan to guide supply and demand side investments that meet system needs in a least cost and risk manner while achieving all policy mandates and regulatory requirements.

*All resource options are considered on a consistent and comparable basis
Why Are IRPs So Important?

• Provide the opportunity for a coordinated (public stakeholders / regulators / utilities) view of the future of the utility and the roadmap to get there
• Action Plan - Defines short term (next 2-4yr) actions and investments
• Affect what customers pay, reliability and resilience of the system, environmental performance and much more
• Serve as the record for “reasonable” decisions
• Serve as a “hub” of information - data and major assumptions
• Planning is exciting! (and avoids terrible outcomes)…
Origins of IRP

Emerged as a response to costly (in hindsight, terrible) utility planning decisions in the 1970s and 80s:

• Overestimated load growth
• Underestimated costs of new nuclear units
• $100 billion invested in projects that were eventually abandoned
Typical IRP Process

States with IRP Requirements
Prerequisites for IRP Success

✓ Sound planning processes

AND

✓ Effective regulatory oversight
Stakeholders Make a Difference

- Provide information and feedback on input assumptions and planning process
- Help ensure that the IRP will reflect the interests of ratepayers and the general public
- Look at key issues from view of the decision maker

New Publication from Institute for Market Transformation and RAP:

Participating in Power: How to Read and Respond to Integrated Resource Plans

Planning Used to Be “Simple”
Planning Today Is More Complex

Source: European Distribution System Operators’ Association for Smart Grids
Need to *Align* the Various Planning Processes
About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org